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A VARIETY OF INTERNATIONAL TREATIES - THE STABILITY OF INTERNATIONAL ECONOMICS AND POLITICS

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Abstract

International treaties are the result of reaching agreement between the subjects participating in them. The prerequisites for the conclusion of various kinds of international treaties are economic and legal factors. International law and domestic law are two independent legal systems that are closely interconnected and interact with each other.

Keywords: *international treaties, domestic law, legal system, consent, subjects of law*

Introduction

Contract - an institution (phenomenon), the design of which is so flexible, but just as stable, is influenced by social and economic factors, regulates various kinds and types of social relations, and meets the needs and interests of subjects of civil law and should be implemented through the principle of freedom of contract and stay within the limits of the law (Tatar, 2021: 142).

Types and content of international licensing agreements.

- *International license agreement*. The object of a license agreement may be a license for an invention, as well as know-how and a trademark.

- *International purchase and sale agreement*, including the supply of equipment. The contract may provide for a concomitant license with the provision of additional information about the technological process in which this equipment participates, part of the design documentation for the possible manufacture of spare parts, equipment repair (Trunina, Fedasova, 2009: 304).

- *Combined international agreements* o*n the sale of licenses and the supply of equipment.* When purchasing a license for the production of complex machines, the licensee, along with technical documentation and training of specialists for a better mastering of production, sets a condition for the supply of a number of complex units, first in a finished form, in order to then gradually switch to their independent production.

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- *International agreements on the design and construction of industrial facilities.* When carrying out the design and construction of industrial facilities abroad, an integral part of the general agreement (contract) or an addendum to it may be the licensing part concerning the transfer of patent rights and know-how included in the project, construction object, technology and equipment of this industrial enterprise (accompanying license) and carrying out design work such as engineering.

- *International agreements on scientific and technical cooperation.* Scientific and technical cooperation, as a rule, provides for the exchange of information on scientific and technical achievements, inventions, scientific and technical knowledge, etc., therefore, these agreements often stipulate accompanying licenses. If there is a mutual exchange of these materials, licenses can be in the form of cross-licenses, i.e. mutual licenses. Cross-licenses do not necessarily involve mutual monetary settlement. In some cases, the parties are interested in receiving equivalent information.

- *International agreements on industrial cooperation.* They may apply different combinations of terms for the grant of licenses, the supply of goods, or the provision of services. Often the basis of industrial cooperation is made up of licensing agreements, extended by agreements on production cooperation (Getman-Pavlova, 2013: 217).

Content of international licensing agreements:

The content of international licensing agreements is the establishment of scientific and technical ties aimed at introducing the results of scientific research and development into production. Licensing agreements usually mediate a whole complex of relationships ultimately associated with the organization of production of licensed products or using a licensed process. This complex, along with scientific and technical relations, includes financial relations, industrial relations associated with the sale of products, management of enterprises, etc.

International trade practice has developed numerous options for model licensing agreements, which are used as the basis for the drafting of specific agreements between the parties. Model licensing agreements are developed by various organizations, in particular, UN commissions, industry associations of industrial firms, etc.

The content of international licensing agreements may include the following basic conditions:

- Parties to the agreement.

- Preamble (specifying the numbers and dates of issuance of patents underlying the agreement, the ownership right to them of the licensor and the licensee's intention to use the rights arising from them under license are stipulated.

- Subject of the agreement. The subject of an international license agreement can be a patented invention or technological process, technical knowledge and experience, a trade mark. Know-how transfer is also possible.

Types of licenses:

When selling a *non-exclusive license,* the licensor permits the licensee to use the invention or the secret of production on certain conditions, while retaining the right to both use them independently and to issue licenses similar under the terms of the terms to any other interested parties (firms).

When selling an *exclusive license*, the licensor grants the licensee the exclusive right to use the invention or production secret within the terms and conditions specified therein and in a certain geographic territory specified in the agreement. At the same time, the licensor refuses to independently use this invention, and even more so from the sale of similar licenses to third parties on the same conditions and in the same territory. When granting an exclusive license, the licensor often introduces various clauses into the agreement that limit the rights of the licensee. Such a license is called a *limited exclusive* (Zykin, 1994: 78).

When a *full license* is sold, the licensee is granted exclusive rights to use it during the entire term of the agreement. For this period, the licensor is deprived of the right to use the invention or production secret both independently and by issuing licenses to other persons (firms).

Payments. As compensation for granting the rights to use the subject of the agreement, the licensee pays a certain fee to the licensor. Depending on the method of calculating remuneration, it can be divided into two groups:

- Remuneration, the amount of which is calculated on the basis of the actual economic result of using the license.

- Remuneration, the amount of which is not directly related to the actual use of the license, but is set in advance and specified in the contract.

Periodic interest payments, or current royalties (set at certain fixed rates in% and paid at certain agreed intervals). They are calculated in various ways: from the cost of products manufactured under license, from the amount of sales, from a unit of manufactured or sold products as a% to the price or cost, on a specially determined basis, etc. Mostly 3-5%.

Lump-sum payment (a certain, firmly fixed amount of remuneration). It is usually practiced when transferring a license with equipment, when selling to a little-known company, to guarantee against losses in case of disclosure, when the licensee does not want to allow the licensee to control the use of the license.

Initial payment in cash (payment by the licensee is set in the agreement of the amount in the form of a one-time payment in installments during the period specified in the agreement, or upon fulfillment of certain conditions).

Transfer of securities (transfer of shares or bonds, basically the licensor receives from 5 to 20% of shares, but in some cases even 40%).

Transfer of technical documentation (mutual provision of licenses in combination with other forms of remuneration).

The terms of payment stipulate in detail the procedure for paying the license fee, namely: currency of payment with the inclusion of a currency clause; form of calculation; the basis for calculating the value of manufactured products or the value of sales (with remuneration in the form of current deductions) and the procedure for calculating them.

Obligations of the licensor under the license agreement. The terms of the agreement determine in detail: the volume, procedure and forms of the provision of scientific and technical assistance by the licensor to the licensee during the entire term of the agreement. The licensor is always responsible for the novelty of the invention. The licensor is responsible for the economic efficiency of the invention within the limits in which he guaranteed certain qualities of the latter in the contract: power, efficiency and other indicators (Suhanova, 1994: 354).

Obligations of the licensee under the license agreement. The main obligation of the licensee is the timely and correct payment of the remuneration. In order to secure payments due to the licensor, the licensee is obliged to provide the licensor, within a specified period, with a guarantee of a first-class bank. In addition, the license agreement imposes a large number of other obligations on the licensee, the most important of which is the licensee's use of the Subject matter of the license agreement. The licensee is obliged to strictly adhere to the technical and quality standards provided for in the technical documentation to ensure the appropriate quality of the products manufactured under license.

The term of the license. Licensing agreements are usually concluded for a strictly defined period, but they may contain clauses that provide for the possibility of automatic or other extension or renewal of the agreement, or, conversely, its early termination. About 5-10 years

The essence and significance of the international exchange of engineering and technical services.

As an independent type of international commercial transactions, engineering involves the provision, on the basis of an engineering contract, by one party, referred to as a consultant, to the other party, referred to as a customer, a complex or certain types of engineering and technical services related to the design, construction and commissioning of an object, with the development of new technological processes at the customer's enterprise, the improvement of existing production processes up to the introduction of the product into production and even the sale of products.

The provision on the basis of an engineering contract of a full range of services and supplies necessary for the construction of a new facility is called *complex*

engineering. It includes three separate types of engineering and technical services, each of which can be the subject of an independent contract (Aristov, 2016: 98).

Engineering advisory is associated with intelligent services for the design of facilities, development of construction plans, and oversight of work.

Technological engineering consists in providing the customer with the technologies necessary for the construction of an industrial facility and its operation, the development of projects for energy supply, water supply, transport, etc.

Construction engineering is mainly the supply of equipment, machinery and/ or installation of installations, including, if necessary, engineering work. Engineering and consulting services are provided in the form of technical documentation, research results, initial data for construction, economic calculations, estimates, recommendations, etc.

The advisory services are directly related to management for the implementation of an industrial project, but do not cover any construction work, licensing or technology transfer.

Engineering consultancy contracts may relate to the entire range of services or specific specific services, which must be clearly formulated in the contract or in an annex to the contract. Such agreements may be supplemented by the obligations of the parties in connection with the conduct of joint scientific research, the organization of pilot production, marketing with joint technical assistance, and the training of personnel.

Consulting engineering can cover all stages of a project or be limited to some one stage, for example, pre-investment. In this case, the term "project" denotes a general idea of work, which should be specified in the contract. When writing the article, the following methods were used: comparative legal, logical, imperial, historical.

The Essence and Content of International Intermediary Operations

For the successful sale of goods in foreign markets, it is necessary to know their conjuncture, the regulatory and legal peculiarities of the country, to have connections in the business community, to have a developed sales network and service system. Self-trading in foreign markets is often beyond the capabilities of the producers themselves, and they resort to the use of resellers.

Individual entrepreneurs, specialized firms act as *foreign trade intermediaries*, or mediation is carried out through special forms of sales: tenders, auctions, stock exchanges. Foreign trade intermediaries assist in establishing contacts and concluding foreign trade transactions, contracts between producers and consumers, sellers and buyers of goods and services.

Trade and intermediary foreign economic operations are understood as operations related to the sale and purchase of goods, performed on behalf of the exporter or

importer by an intermediary independent of him on the basis of special agreements or separate orders. Trading and intermediary firms are legally independent from producers and consumers of goods. This does not include subsidiaries, branches and representative offices of foreign companies. The functions performed by resellers are very diverse. They are directly related not only to the purchase and sale of goods, but also to a significant range of operations and services for finding foreign partners, market research, transportation and insurance of goods, credit and financial services, execution of documentation for transactions, advertising of goods, after-sales maintenance *et al* (Sidorov, 2005: 43).

In addition to expanding the functions performed by intermediaries, qualitative shifts in trade and intermediary operations now include:

- creation by intermediaries of production for processing and assembly of products, the purchase and sale of which they are engaged in;
- formation of international consortia for the implementation of large-scale projects;
- the formation of large trade and intermediary monopolies performing a set of operations related to the purchase and sale of goods at their own expense, their transportation, insurance, after-sales service, etc.

The influence of intermediary companies varies greatly across countries and trade flows. They have a significant impact on the export and import of Japan, South Korea, England, Scandinavian countries. For example, in Japan, 8 thousand trading companies control 67% of imports and 60% of exports. The well-known three trading houses in South Korea - Samsung, Hyundai, Daeku - serve about 40% of the country's foreign trade (Nemets, 2002: 54-62).

The main goal in attracting resellers is to ensure the efficiency of foreign trade operations. Conducting transactions through intermediaries has certain drawbacks: it leads to an increase in the cost of imported goods and a decrease in export earnings. part of the proceeds remains with the intermediary. In addition, the exporter does not directly interact with the market, he does not independently study its conjuncture and the needs of his buyer. However, these disadvantages are offset by the advantages of using intermediaries:

- the use of intermediaries makes it possible to attract their capital to carry out transport-forwarding, insurance, sales and service operations, which makes it possible for the exporter to save his own funds invested in transactions;
- intermediaries often take on the responsibilities and risks of delivering goods to the importing country, preparing them for sale (sorting, packaging, labeling, etc.);
- the involvement of resellers frees the supplier from organizing the sale of goods, since intermediary firms often have their own warehouse, sales network and retail stores;

- intermediaries have the most information about market conditions, have business connections, it is difficult to do without them when direct export is difficult due to import restrictions;
- intermediaries have direct contact with consumers, they respond more quickly to changes in their needs and have information about the competitiveness of products.

In some cases, the use of intermediaries is necessary. This is due, firstly, to the fact that individual markets for goods are monopolized and closed for independent penetration of producers. Secondly, not all enterprises and organizations that have legal rights to conduct foreign trade operations can independently explore foreign markets, look for foreign partners, competently develop the terms of contracts, provide opportunities for the implementation of contracts and, in the event of disagreements, settle them. Thirdly, exporters and importers are forced to act through intermediaries due to established international trade customs, for example, when operating at auctions or when trading on an exchange in legumes, timber, non-ferrous metals, etc. It is commercially viable to act through intermediaries when a manufacturer enters remote and poorly understood markets. This allows you not to spend money on entering a new market and reduce the risk of entrepreneurial activity. It is quite difficult to find a reputable, conscientious intermediary with experience in the foreign market.

Selecting an intermediary

For a deal to be effective, it is important to be able to choose the right reseller. The fact is that unscrupulous intermediaries often conclude a deliberately large number of contracts in order to work in the future on the most profitable of them. There are figureheads among the agents. It is even possible for intermediaries to deliberately sign contracts with rival firms in order to block the export market. In order not to be mistaken in choosing an intermediary, you should carefully check it, collect and study the "portfolio" of information.

First of all, you should pay attention to the financial position of the candidate for intermediaries. This can be judged by its ability to provide credit to a buyer or an advance to an exporter. In addition, you can get information about the creditworthiness of the intermediary company in special credit agencies. Thus, the well-known US firm "Dan and Bradstreet" can provide a wide variety of information about each public or private company that is listed on any stock exchange in the country (Wolfel, 2000: 564).

You should find out the nature of the goods sold by the intermediary and the volume of sales. On the positive side, the mediator acts as a seller of similar products, knows the specifics of its sale, can predict demand, and organize service. It is

advisable to establish whether the products offered by the exporter are related to the goods sold by this intermediary.

An important role is played by the candidate's own sales network, warehouse facilities, his physical ability to sell large volumes of goods in case of growth in the future export supplies. When choosing an intermediary, attention is paid to his personal qualities, his connections in business and business circles.

When entering the market of an unfamiliar country, one must carefully study the peculiarities of national legislation, concluding agreements with resellers, and business ethics. For example, in a number of countries in the Middle East it is prohibited to use the services of intermediaries when trading with government organizations; in Canada, in this case, you can only contact a Canadian intermediary. Any Japanese reseller operates solely on the basis of a monopoly on the sale, while hiring a different staff to serve different exporters.

It is absolutely mandatory to obtain information about the candidate intermediary firm from its clients, competitors, as well as from other partners and contractors. The choice of a foreign trade intermediary depends both on the product (food, machinery and technical products, etc.), and on the operations performed by him (supply, sales, etc.).

Types of foreign trade intermediaries

In international practice, there are no uniform approaches to the interpretation of the types of intermediaries and the types of contracts concluded with them.

The different types of international trade intermediation are determined by several factors. The main ones are the following:

- transfer of ownership of the goods from the manufacturer to the intermediary;
- the intermediary has the right to sell goods on his own behalf;
- the length of the relationship between the reseller and the supplier of the goods.

Depending on the various combinations of these factors, intermediaries are divided into sales, commission agents, agents and brokers.

Sales intermediaries in the foreign market act on their own behalf and at their own expense.

Sales intermediaries enter into a sales contract with a supplier of products and then sell them on their behalf. Their fulfillment of obligations to the supplier usually does not depend on the fulfillment of the terms of the contract by the buyers to them. The sales intermediary has great commercial independence. At the same time, he cannot be equated with an ordinary buyer. The relationship between the exporter and the ordinary buyer ends after the fulfillment of the mutual terms of the sales contract. The buyer has the right to resell the goods under any conditions and territory.

The sales intermediary is a permanent link in the sale of the exporter's goods, undertakes to comply with his interests and conduct business within the powers granted to him. A long-term cooperation is established between the supplier and the intermediary, which is regulated by the agreements concluded between them, firstly, the intermediary agreement and, secondly, the sales and purchase agreements (Gerasimenco, 2020: 265).

In a mediation agreement, the parties agree on a large list of mutual rights and obligations related to the organization of the sale of goods that differ from the terms of delivery fixed in the sales contracts. Such an agreement stipulates the list of goods sold, the sales area, the right to sell, the minimum annual sales volume, the obligations of the intermediary firm for the pre-sale completion of the goods, their warranty and technical maintenance, providing information on the state of the market conditions, agreeing on the mutual obligations of the parties regarding the maintenance of stocks in warehouses. goods, advertising campaigns. In addition, the mediation agreement necessarily establishes the method for determining the intermediary's remuneration, the term of the agreement, the procedure for its extension and early termination.

In international practice, a wide variety of types of marketing intermediation has developed - export firms, import firms, distributors, dealers, stockists, etc.

Export firms purchase goods on the domestic market at their own expense and sell them abroad. Depending on the functions performed and the range of goods, they are divided into specialized, universal and agricultural.

Specialized firms trade in any one product or similar goods, *universal ones* - in a wide range of consumer goods.

Agricultural firms are established mainly in developing countries and are engaged in the purchase and export sale of cotton, coffee, tea, wool, silk, etc.

Import firms buy goods abroad at their own expense and resell them in the domestic market to wholesalers and retailers. Such firms have gained great importance in the purchase of raw materials and foodstuffs from foreign exporters, in the sale of machinery and equipment.

Distributors (from the English *distribution*) are firms, entrepreneurs who are mainly engaged in imports, as a rule, have a monopoly on the purchase and sale of goods of certain manufacturers in regional markets (Mozgov, 2009: 15-28).

Dealers (from the English *dealer* - trader, agent) - an entrepreneur or legal entity that purchases products in bulk and sells them at retail or in small quantities.

Stockists are firms in the importing country that carry out export-import operations at their own expense (that is, they buy goods in their own name) and on their own behalf on the basis of a special brokerage agreement, including provisions for a consignment warehouse. A stockist is to be distinguished from a consignee who sells goods on his own behalf, but at the expense of the exporter.

Market brokers act and sign contracts with buyers on their own behalf, but at the expense of the supplier. In this case, the supplier of goods is called the consignor. The mechanism for conducting a commission transaction is as follows: an intermediary who knows the market well, signs a commission agreement with the consignor on the supply of goods for sale, finds a buyer and concludes a sale and purchase agreement with him on his own behalf. The payment received from the buyer, minus the commission, is transferred to the client's account within the period specified in the contract.

With this form of mediation with third parties (buyers), the commission agent looks like the seller of his own product. Meanwhile, the ownership until the moment of its purchase, and often the final payment by the buyers, remains with the consignor. For this reason, commission agreements often include the obligation of the commission agent to insure the goods in favor of the principal. The agent is responsible for the safety of the goods at his disposal, however, all commercial risks in the event of their loss or damage remain with the supplier.

When concluding sales contracts, the commission agent must adhere to the terms of sale of goods agreed with the client, especially regarding the price, terms of payment, delivery times. For their services, commission agents receive remuneration, the amount of which is set in the form of a certain percentage of the value of the goods sold or in the form of the difference between the higher price at which the commission agent makes the transaction and the price set by the consignor.

Commission agents can work both on the territory of the exporter and the importer, conduct business on the sale or purchase of products of foreign and domestic production. They can also carry out orders of foreign buyers, called indents.

An indent is a one-time order from an importer of one country to a commission agent of another country to purchase a consignment of goods from a manufacturer in the intermediary's country. The indent can be of two types: open and closed. An indent is called closed if, in his order, the importer gives a specific description of the product and specifies exactly from which manufacturer to purchase the product. An indent that does not contain exact data about the ordered product and the agent is given the right to choose a manufacturer is called *open*.

Consignment is a type of commission transactions. The essence of consignment transactions is that the exporter (consignor) instructs the intermediary (consignee) to sell the goods from the warehouse within a specified period. The consignor does not buy this product as its own property, but sells it on its own behalf and makes payments to the consignor as the goods are sold to buyers from the warehouse.

Implementation through a consignment warehouse gives the consignor great opportunities to regulate the price level. With an active demand for goods, including those already in stock, he can raise prices, if the goods are not in demand, reduce them.

On consignment terms, mainly consumer goods are sold: spare parts, tools, food, etc. Consignment is often called a foreign trade commission, in which goods, after crossing the border of the exporting country, are moved to a temporary storage warehouse and, as the next batch is sold, are "cleared" by a commission agent and are sold on the domestic market of the importing country (Belyaeva, 2006: 233).

The form of sale through a consignment warehouse is also used when selling new goods that are little known to buyers and in case of poor market development. Consignment can be of several types:

- *irrevocable*, in which the consignee has the right to return the goods and, upon the expiration of the agreed period, is obliged to buy all unsold products in his ownership;
- *partially revocable*, when the consignee undertakes to buy from the consignee the agreed amount of unsold goods after the expiration of the established sale period, and return the rest of the products to the exporter;
- *revocable*, when all goods unsold by the consignee are returned to its owner.

The decision to return products is made by agreement of the parties involved in the consignment transaction. A refund is advisable if the costs of return transportation and customs clearance are lower than the possible discount on the price that allows you to sell the goods. In addition, the exporter must be sure that the goods will be sold after they are re-imported.

An agent in international practice is considered both in the narrow sense of the word, when an intermediary is authorized to conclude transactions and perform other actions on behalf and at the expense of the person represented, and in a broad sense - when it covers all types of representation and mediation, agents include distributors, consignees, brokers , auctioneers, etc. The terminology used in different countries for agents is quite varied. In Germany, Austria, Belgium they are called sales representatives, in Great Britain, USA, Switzerland, Scandinavian countries - agents, in France - representatives, in the Republic of Belarus - commercial representatives, attorneys.

A long-term cooperation is usually established between the exporter and the intermediary. The minimum term for an agency agreement is usually at least a year.

Individuals can act as agents, but in most cases these are legal entities registered in the trade register. The agent and the principal are not in a service relationship, i.e. these intermediaries are not employees of the firm they represent. The independence of a sales agent is evidenced by the fact that for his services he receives remuneration in the form of a specified percentage of the price of the concluded transaction or in the form of payment from net profit, as well as his registration as a person carrying out independent activities. The relationship between the principal and the agent is defined in the agreement concluded between them. Agency agreements, as a rule, govern the general conditions of cooperation between the principal and the

intermediary, and the supply of goods is carried out under independent sales contracts, concluded taking into account intermediary agreements.

As independent commercial entities, agents are entitled to represent several enterprises. Moreover, if the legislation of France prohibits the representation of competing firms, then according to German law such an opportunity is not excluded for them. Therefore, agency agreements often include a non-competition clause that prohibits the intermediary from selling competing products or representing competing firms.

Brokers bring interested sellers and buyers together, while they themselves are not a party to the transaction and do not participate in their capital. Unlike an agent, a broker does not have long-term relationships with buyers and sellers. The broker prepares a draft agreement and sends it to the parties for signing, and then gives each party a duly signed copy of the agreement. He does not become the owner of the goods and is not authorized to receive payments. Brokerage operations are aimed at facilitating foreign trade transactions and are very diverse. Brokers include customs agents, realtors, brokers of commodity and stock exchanges and others (Lukashuk, 2005: 342).

The broker receives a special reward for his services. They represent the interests of only one party, which can be both a seller and a buyer, and pays a commission for intermediary services. As a rule, he is not entitled to receive remuneration from the other party. In practice, the same mediator often acts simultaneously in different capacities. Under various types of agreements, he can be an agent and distributor, broker and agent, perform export and import operations, which is especially typical for large companies. The most complex intermediary form is a trading house.

The Trading House is a multifunctional enterprise that carries out export-import operations on a wide range of goods and services, combining a wholesaler, a commission agent, a broker, a financial and investment institution, a consulting firm and a license trader. Trading houses, as a rule, work on a wide range of goods, but can specialize in a rather narrow range. The impact of trading houses on foreign trade varies greatly across countries. They acquired the greatest importance in export and import in the USA, England, Sweden and especially in Japan. Nine trading houses, the so-called "sogo-shosha", carry out half of Japan's exports (according to individual trading positions up to 87%) and 2/3 of imports. In domestic trade, 30% of the country's GDP passes through the "sogo-shosha" channels. The Japanese "nine" controls about 1/10 of US exports, the Mitsui Bussan trading house is the third largest US exporter. The Japanese model of organizing foreign trade has been successfully developed in South Korea and Brazil.

An exporter can work with the same intermediary at the same time on the basis of several types of contracts. Taking into account the interpretation of the agent in the

broad sense of the word, when concluding agreements with intermediaries, all the terms of the agreements should be carefully and carefully stipulated.

International Treaties Aimed at Unification of Conflicting Legal Norms in the Field of International Commercial Agreements

One of the oldest international organizations, *the Hague Conference on Private International Law*, is mainly engaged in the unification of conflict of laws rules.

In 1955, within the framework of this organization, *the Convention on the Law Applicable to the International Sale of Goods (Movable Tangible Things)* was adopted (Convention on the Law, Hague, 1955). The Convention has been ratified by Denmark, Finland, France, Niger, Norway, Sweden and Switzerland. Its adoption is assessed by experts as a significant success in the unification of conflict of laws rules. The Convention formulates a number of principles that have received general recognition, including the principle of autonomy of the will of the parties, which had a significant impact on the development of subsequent international legal acts in the field of conflict of laws.

The Convention on the Law Applicable to the Transfer of Ownership in the International Sale of Goods (Movable Tangible Things) (The Hague, 1958) was to become an addition to the named Convention, which, however, did not enter into force.

In 1986, a new Convention on the Law Applicable to International Sale of Goods was adopted. While retaining a number of important provisions contained in previously adopted acts, the 1986 Convention has significantly expanded the range of unified rules that could contribute to a more complete and clear regulation of the application of the conflict of laws method in the regulation of international sale and purchase. New fundamental rules were included in this Convention, in particular, determining the scope of the applicable law, the possibility of applying the law with which the contract, taking into account all the circumstances, has a closer connection. It provides for the possibility of the parties to agree on the subordination of the sale and purchase agreement in whole or in part to any other law, in addition to that which it was previously regulated by, the possibility of applying the peremptory norms of the country of the court, etc. However, the 1986 Convention, like the 1958 Convention, is not effective. The reason for this was the discrepancies that exist in doctrine, as well as in practice in the continental and Anglo-Saxon systems of private international law, which became an obstacle to the recognition of these conventions by a sufficient number of states.

The main role of universal conflict of laws international treaties is that most of the provisions formulated in them contributed to the convergence of positions of different states in the development of common approaches in further work on the unification of conflict of laws at the international legal level, and subsequently found reflection in the national legislation of a number of states.

With the creation of the EU, the development of a uniform legal regulation began to facilitate the implementation of trade and economic contracts between organizations of the member countries of the Union.

Within the EU, *a Convention on the Law Applicable to Contractual Obligations* has been prepared (Hereinafter - the Rome Convention of 19 June 1980). This Convention was the main source of conflict of laws for the members of the Union. It entered into force on April 1, 1991. In April 2005, new EU countries joined the Convention: Hungary, Cyprus, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Czech Republic, Estonia.

However, within the EU, *the Rome I Regulation* (Rome I Regulation, 1980) which replaced the 1980 Rome Convention. Rome I after its entry into force on December 17, 2009, has become fully legally binding and directly applicable in the EU member states, including in their national courts. Thus, for almost most EU countries, the 1980 Rome Convention has lost its force, but there are exceptions. Thus, Denmark did not participate in the adoption of this Regulation, is not bound by it and is not subject to its action. As a consequence, the 1980 Rome Convention continues to be used to resolve conflict-of-law contractual issues arising between Denmark and the rest of the EU member states. Interestingly, the 1980 Rome Convention continues to be in force for certain territories of the member states, which are not covered by the Treaty establishing the European Community. These are mainly insular, located outside Europe and insignificant in area and population of the state, namely the so-called overseas countries and territories under the jurisdiction of Great Britain, France and the Netherlands, for example, the Falkland Islands, New Caledonia, French Polynesia, the Wallis and Futuna Islands, Netherlands Antilles, Aruba and some others.

Thus, for Denmark, as well as for island states located outside Europe, the Rome Convention of 1980 continues to operate. The Rome 1 Regulation, like the Rome Convention of 1980, proclaims the principle of the autonomy of the will of the parties in the choice of the applicable law (Art. 3). However, the Rome I Regulation states that the choice of the law chosen by the parties must be directly expressed or definitely follow from the provisions of the contract or from the circumstances of the case. The main difference between the Rome I Regulation and the 1980 Rome Convention lies in the formulation of the principle of the closest connection, reflected in the article entitled "The law applicable in the absence of a choice of parties" (Art. 4).

Thus, the Rome I Regulation contains the following special conflict of laws links for the main types of international commercial contracts in the absence of a choice of applicable law:

- the contract for the sale of goods is governed by the law of the country where the seller has his usual place of residence;
- the contract for the provision of services is governed by the law of the country where the service provider has his usual place of residence;

- an agreement having the subject of a real right to real estate or lease of real estate is governed by the law of the country where the real estate is located;
- a lease agreement for immovable property, concluded for the purpose of temporary personal use for a period not exceeding six consecutive months, is governed by the law of the country where the owner has his usual residence, provided that the lessee is an individual who has his usual residence in the same country;
- the commercial concession agreement is governed by the law of the country where the franchisee has its usual place of residence;
- the sales contract is governed by the law of the country where the sales party has its habitual residence;
- the contract for the sale of goods at the auction is governed by the law of the country where the sale and purchase at the auction takes place, if this place can be determined, etc.

In the event that the contract concluded by the parties is not included in the list of the above obligations or refers to mixed contracts, the Rome I Regulation provides for a general presumption of the law of the closest connection, namely: the law of the country where the usual place of residence of the party is performance that is decisive for the contract (clause (2) art. 4), and only if the contract has clearly closer ties with another country or the applicable law cannot be determined on the basis of clause (1) or (2) Art. 4 of the Rome I Regulation, the agreement is governed by the law of the country with which it has the closest ties (paragraph (3), Article 4 of the Rome I Regulation).

The Rome I Regulation is a kind of foundation for all conflict regulation in the field of cross-border commercial contracts for the EU countries. For those countries that are not members of the EU, the Regulation serves as a kind of benchmark for the development of conflict of laws rules. In this regard, many non-EU countries have modernized their legislation based on the Rome I Regulation.

When drawing up an international commercial contract, it is necessary to pay special attention to the law that will be applied to regulate relations between counterparties. As a general rule, the question of the law applicable to the contract is decided by agreement of the parties. The applicable law clause of the contract has become known as the "*applicable law clause*". In the absence of such a condition, the question of the choice of the applicable law will be carried out by the court or arbitration by applying the appropriate conflict of laws rules answering the question of which country's law regulates the relations in which there is a foreign counterparty.

For example, it is worth citing a situation when it is very important to understand that the inconsistency of the contract or any of its conditions with the "peremptory norms of the law of the country with which all circumstances concerning the essence of the relations of the parties are connected" can lead to the recognition of

the contract as invalid in whole or in part of a certain conditions. The law in force in the Anglo-Saxon systems of law does not allow for the enforcement by court or arbitration of a contractual clause on the payment of a fine. Thus, in order to avoid difficulties in concluding, interpreting, and executing a contract, the contract must necessarily include applicable law.

In international contracting practice, there are various typical "problem" clauses.

Text of clause No. 1: "The rules of the substantive law of country A will apply to this contract and the legal relations arising from or in connection with it."

Text of clause 2: the text of the contract in Russian may indicate "the current legislation of country B", and in the text in English (other) language - "*the law of the B*", that is, the law of country B.

In this case, it is very important which of the texts - English or Russian - has the greatest power. In English, the term "legislation" corresponds to the term "*legislation*", not the term "*law*". When concluding a contract in two languages, you need to be sure that the content of the texts in different languages is identical. In business practice, it is also customary in such cases to indicate the text in which language has priority in the event of a discrepancy between them. It is necessary, however, to understand that a choice of law clause is an extremely important element of an international (commercial) contract. In an international contract, it is necessary to provide for a clause on the applicable law in such a way as to exclude the possibility of its ambiguous interpretation.

Conclusions

The regulation of civil relations is possible not only through their consolidation in the normative order, but also through the individual consolidation of the contract between certain subjects, in a certain order and on certain conditions, since the subjects of civil circulation, guided by the principle of freedom of contract (Tatar, 2021: 42).

Determining the place of a new obligation in the law, one should take into account the already existing signs on which a similar system of contracts is based. To do this, it will be necessary to analyze whether there are such signs in the new legal relationship and, if they are, to prove their significance and materiality for this kind of relationship, through individualization, legal independence and independence (Tatar, 2021: 54).

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