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INLAND TRANSPORT COMMITTEE

Working Party on Road Transport
(Ninety-fifth session, 16-19 October 2001
agenda item 5 (d))

**HARMONIZATION OF REQUIREMENTS CONCERNING INTERNATIONAL
ROAD TRANSPORT AND FACILITATION OF ITS OPERATION**

**Revision of the Convention on the Contract for the International Carriage of
Passengers and Luggage by Road (CVR)**

Note by the secretariat

1. The Convention on the Contract for the International Carriage of Passengers and Luggage by Road (CVR) has only six Contracting Parties (Bosnia and Herzegovina (succession), Croatia (succession), Czech Republic (succession), Germany, Latvia, Luxembourg, Slovakia (succession), and Yugoslavia.
2. At its ninety-fourth session, the Working Party took note of document TRANS/SC.1/2000/18 transmitted by the IRU which proposed amendments to the CVR. It also took note of new information regarding the value of the gold franc which is used in calculating liability (TRANS/SC.1/2000/17). It recognised that the gold franc was the valid denomination since the Protocol to the CVR which replaced the gold franc with the Special Drawing Right (SDR) had not entered into force. Since the value of the gold franc was some six times higher than in 1978 when the Protocol was drawn up, the Working Party asked whether with the higher levels of compensation which that represented more countries would consider acceding to the CVR.
3. The Working Party requested the secretariat to write to all ECE member States asking them whether they would now be prepared to consider acceding to the CVR and if not to state what modifications would be required for them to be able to do so.

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4. The replies received appear below and in addenda to this document.

Germany

The Federal Republic of Germany does not see any reason for abandoning its position reflected in document TRANS/SC.1/R.275 and ratifying the Convention on the Contract for the International Carriage of Passengers and Luggage by Road (CVR) of 1 March 1973 purely because of a change in the value of the gold franc.

There have already been reservations concerning the thesis put forward in document TRANS/SC.1/2000/17 which says that the gold franc has to be converted on the basis of the current gold price on the free market. Like all other old transport law conventions with gold clauses, the CVR stipulates that the convention should be based on the official, monetary gold parity. It was the objective of this provision to prevent speculative fluctuations of the value of gold on the free market from influencing the maximum amounts of liability. While it has to be admitted that the collapse of the Bretton-Woods system rendered this kind of conversion practically impossible because, since then, gold has no longer been a reliable criterion that could be used to determine the real value relation between various currencies, this does however not automatically permit the conclusion that the current gold price should therefore be decisive for the conversion. In similar cases, it is rather the parity between the Special Drawing Rights and the national currency that has been used as a basis for determining the conversion rate.

It was specifically because of the difficulties resulting from the collapse of the Bretton-Woods system and the related problems of the currencies' gold value convertibility that, in 1978, a Protocol amending the Convention was adopted thus introducing the Special Drawing Right as accounting unit. Maintaining the gold franc (whether it be the so-called Pointcarré franc or, as in the present case, the so-called Germinal franc) as the accounting unit for the maximum amounts of liability must thus be rejected categorically because of the associated problems of conversion.

From the German point of view, a ratification of the CVR can therefore only be considered in connection with the Protocol of 1978. However, as expressed in Germany's position on document TRANS/SC.1/269 (which is identical to document TRANS/SC.1/2000/18) published in document TRANS/SC.1/R.275, ratification of the CVR is not even intended in connection with the Protocol of 1978. The reason is that the maximum amounts of liability defined in Articles 13 and 16 of the CVR in connection with the 1978 Protocol and expressed in Special Drawing Rights are inappropriately low. Currently, there are no proposals to raise these amounts. However, without a considerable increase in the maximum amounts of liability and a modification of the CVR to take account of recent developments in the law governing the carriage of passengers by air, rail and sea, it cannot be expected that the Federal Republic of Germany will change its position.

Switzerland

Switzerland considers the CVR to be a convention of high value. However, since the amount of the liability in the CVR is limited, it will not be possible for Switzerland to accede to this convention. Only when the CVR introduces a liability which is not limited, which is the case in Swiss law, will Switzerland be able to consider accession to it.
