

**Statement by Pakistan on Agenda Item 75**  
**“The Report of the United Nations Commission on International**  
**Trade Law (UNCITRAL) on the work of its fifty-fifth session”**  
**(17 October 2022)**

**Mr. Chair,**

My delegation takes this opportunity to appreciate the work done by the United Nations Commission on International Trade Law (UNCITRAL) during its 55<sup>th</sup> session and takes note of the report contained in document A/77/17.

2. Pakistan has been a member of the Commission and its Working Groups over the years and acknowledges efforts made by Member States and Secretariat for productive negotiations and their positive results in the harmonization of international trade law.

3. The Commission has an important role in promoting the rule of law at both in international and national levels. Its legislative work is critical to the achievement of the SDGs through establishing and facilitating fair, stable and predictable legal frameworks for inclusive, sustainable and equitable development.

4. To this end, we appreciate the progress made in its different working groups during the 55th Session. We take note of the adoption of two legislative texts including: i) the UNCITRAL Model Law on the Use and Cross-border Recognition of Identity Management and Trust Services (found in annex II of the report) and Recommendations to assist mediation centers and other interested bodies with regard to mediation under the UNCITRAL Mediation Rules (found in annex III of the report). The endorsement of the International Standard Demand Guarantee Practice for the Uniform Rules for Demand Guarantees (known as URDG 758) is also commendable.

5. Most significantly, my delegation followed with keen interest in the Commission the discussions that led to the approval of the draft convention on the effects of judicial sale of ships. The draft convention helps to achieve greater harmonization within the international community of the legal effects of a judicial sale of a vessel. In this regard, we hope that the General Assembly would act upon the recommendations contained in Annex I of the report with a view to:

- (a) adopting, at its seventy-seventh session, on the basis of the draft convention approved by the Commission, the United Nations Convention on the International Effects of Judicial Sales of Ships;
- (b) authorizing a signing ceremony to be held as soon as practicable in 2023 in Beijing, upon which the Convention would be open for signature; and

- (c) recommending that the Convention be known as the ‘Beijing Convention on the Judicial Sale of Ships’.

**Mr. Chair,**

6. With respect to Working Group I, Pakistan recognizes the importance of reducing legal obstacles faced by micro, small and medium-sized enterprises (MSMEs) throughout their life cycle, particularly in developing economies.

7. We are pleased with the progress made by the Working Group I. We hope that the future text Future Text is to provide guidance on the adoption or reform of domestic legal frameworks to facilitate access to credit in particular of micro and small enterprises (MSEs) also in light of the difficulties that many of them around the world are currently facing and may continue to face in the future as a result of financial, environmental and other crisis, such as climate change or the coronavirus disease (COVID-19) pandemic that occur locally or globally. While its main focus is on MSEs, the Future Text should not completely exclude medium-sized ones and clarify, as appropriate, the different provisions and policy measures applicable to them.

**Mr. Chair,**

8. Pakistan continues to be engaged in Working Group III's consideration of the reform of Investor-State dispute settlement (ISDS). We would like to recall that in 2017, the UNCITRAL Commission gave its Working Group III “a broad mandate to work on the possible reform of investor-state dispute settlement”. It was also agreed by consensus that the system of ISDS raises myriad concerns and merits reform.

9. Besides structural and non-structural reforms, states also agreed by consensus that UNCITRAL’s work must address other reform options, including alternatives to ISDS, to resolve investor-state disputes, exhaustion of local remedies, and counterclaims and issues including damages, impacts on non- parties, and regulatory chill. The concerns underlying these so called “cross- cutting issues” are widespread and profound.

10. The Working Group-III is now moving towards its delivery phase. It is our understanding that the revised workplan prepared by the Secretariat and the Bureau last year was only a “notional” guide for the Working Group to advance its work, and that the focus should be on a request to the Commission for additional resources and the rationale for this. To this end, we welcome that the Working Group III has been allotted one additional one-week session per year during the period of 2022–2025. We believe that the document should continue to evolve in view of the specific concerns expressed by member states during the previous sessions.

11. With respect to the future work of WG-III, my delegation will continue to highlight the following points:

- First, the issue of damages, in particular, has so far, not been accorded the central place in the reform process that it deserves. This approach is curious. The size of damages awarded in recent years against States has been at the forefront of critiques of investment arbitration and involves many procedural dimensions. This is the primary focus of the ISDS reform process. The result is a system that critics allege favors investor claimants and places considerable burdens on developing states. For the sake of the legitimacy of the global ISDS system, we believe that any meaningful reform must strike a balance between rights and obligations of the States on the one hand and of the investors on the other.
- Second, the notional work plan should fully take account of the limited resources available to developing States, as well as technical difficulties that they face, which restrict their effective participation in informal sessions.
- Third, we believe that the adoption of possible reform elements on the so called “rolling basis” might not allow issues of particular interest to developing countries to be considered early by the Working Group and could prevent a more holistic and balanced approach to investor-State dispute settlement reform.

The UNCITRAL launched its ISDS reform project to strengthen the case for serious and broad action. Therefore, the deficiencies in the workplan need to be addressed in the subsequent sessions of the Commission on priority.

**I thank you**

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