Paraguay Adopts New Law on International Contracts

On January 15th, Paraguay has adopted a new law on the Law Applicable to International Contracts. A press release of the Paraguayan Presidency is available here.

The first part of the law reproduces almost literally the Hague Principles on Choice of Law in International Commercial Contracts. Perhaps pioneering in the field, the law fully recognizes choice of non state law outside of the arbitration context.

The second part deals with the applicable law absent a choice (a matter not addressed by The Hague Principles) and transcribes -also almost literally- the OAS Interamerican Convention on Applicable Law in International Contracts (1994 Mexico Convention).

An English translation of the draft (which was slightly modified) is available here.

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