

THE SALES OF GOODS ACT

Summary

The Danish Sale of Goods Act (Købeloven) contains detailed regulations regarding the legal aspects of the sale of goods. The regulation is to a great extent, considered to express general legal principles within the Danish law of obligation.

The Sale of Goods Act contains filling conditions in the event that the sales agreement is not complete as well as conditions regarding conformity of the goods, the passing of risk and remedies for breach in case of non-conformity and delay.

When does the Sale of Goods Act apply?

The Sale of Goods Act applies to contracts regarding the sale of goods and contracts for the supply of goods to be manufactured or produced, entered into between parties having their places of business in Denmark. The act applies to business-to-business, business-to-consumer and consumer-to-consumer sales. The act does not apply to contracts regarding the sale of real estate.

May parties decide to deviate from the Sale of Goods Act?

The general principles of freedom of contract also apply in relation to contracts on the sale of goods. As a consequence hereof, the provisions in the Danish Sale of Goods Act may, as a general rule, be deviated from. Thus, parties engaging in business-to-business sales will have great latitude to negotiate and enter into contracts on individual terms, provided such contracts do not conflict with other regulations, such as competition law or specific rules and regulations governing certain kinds of business. As mentioned below, the exception from the general rule is the mandatory provisions in the act, regarding business-to-consumer relations.

Special rules regulating business-to-consumer sales

Part of the Sale of Goods Act applies only to business-to-consumer sales while certain provisions apply specifically to business-to-business sales. Most of the provisions of the act relating to business-to-consumer sales exist with a view to protecting the consumer and are consequently mandatory. This means that they may only be deviated from if the sales agreement provides the consumer with a better legal position than the provisions in the act.

International Sale of Goods

Denmark is a party to the UN Convention on Contracts for the International Sale of Goods ("CISG"), and CISG is therefore applicable in Denmark.

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CISG applies to contracts regarding the sale of goods entered into between parties whose places of business are in contracting states, or when the rules of private international law lead to the application of the law of a contracting state.

Due to private international law, the CISG will always apply when the seller has his place of business in Denmark and the buyer is foreign. When contracting with non-Danish businesses, Danish businesses often explicitly choose to apply the CISG rules.

Exceptions to the application of the CISG

Denmark has ratified CISG with reservations for part II regarding formation of contracts, which means that CISG part II does not apply according to Danish law. Therefore, the Danish Contracts Act will apply in relation to the conclusion of contracts if the contract is governed by Danish law or if the choice-of-law provisions refer to Danish law.

Further, as a result of the "neighbouring country reservation", contracts regarding sale of goods entered into between parties whose places of business are in the Nordic countries are not governed by the CISG.

Does the CISG govern business-to-consumer sales?

The Convention does not govern business-to-consumer sales. This means that the (mandatory) rules on business-to-consumer sales in the Danish Sale of Goods Act apply where the rules of private international law lead to the application of material Danish law.

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