

"33. One paramount consideration is that UNCITRAL select very carefully its objectives so as to ensure that it works only in those fields where there exists a significant chance of success. The selection should be based on as comprehensive an understanding as possible of the nature of national problems related to the MNE activities, as well as the Commission's own evaluation of probable success in working in a particular area. In this respect, one important criterion to be kept in mind in selecting areas for study by UNCITRAL is that the effectiveness of solutions sought by means of legal rules will depend primarily on their acceptance by the greatest possible number of countries, both 'home' and 'host' to MNEs. Co-operative action, through co-ordinated national legislation and/or international legal rules, can play a large part in ensuring that the activities of MNEs are subject to control by the governments in whose territories they carry on business."

"36. In the field of extraterritoriality, legal rules or principles could also be developed to ensure that foreign laws and regulations should not, in principle, be extended into foreign countries through the vehicle of the parent-subsidiary firm relationship, while at the same time ensuring to 'host' country authorities access to the information they require concerning the operations carried out within their jurisdiction."

Further action by the Commission on this subject will now await the report of the Secretary General referred to in the first paragraph of this section.