ABSTRACT

In the international business transactions world, the parties created the international business contracts to ensure legal certainty between them. Forum non litigation such as arbitration is one of the favorite alternative dispute resolution that has been chosen by the parties to conduct international business transactions. There are two distinct bodies of law applicable to every international arbitration, the first is the arbitral proceedings itself and the second body of law is the substantive applicable law. The substantive applicable law consist of national laws, international conventions and lex mercatoria.

*Lex mercatoria* is law of merchants which classified to third legal order, neither national nor international law but the mixture with the characteristics of both. CISG convention is the *lex mercatoria* in the realm of international sales of contract which has not been yet ratified by Indonesia. This article mainly discuss the application of CISG Convention 1980 as a substantive applicable law through international arbitration awards which applied CISG. Henceforth, this article expected to become study reference the imprortance of ratification CISG convention 1980 into Indonesia national laws.