Some arbitral tribunals dealt with the problem of interest, not by reference to a particular national law but by general principles of international law. This was mainly the case when one of the parties to the contract was a state or a state entity. This approach is based on the view that there is an automatic "as of right" entitlement to interest on late payment of money due. This is a principle recognized in most Western commercial systems, it is applied by most national Courts, and it is an accepted fundamental of almost all transactions. Hence most national laws have express legislation or regulations to govern interest application, as of right, and for application by Courts. This gives interest an international general principle or *lex mercatoria* character.

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**Referring Principles:**

- VII.6 - Duty to pay interest