Interim Award No. 5717 (1988)

In complex international relationships such as that under review, a widely accepted choice of law principle in most jurisdictions, including England, Liechtenstein and France, is the center of gravity, or the connection, test. Under this test, the arbitrator selects the substantive law of the jurisdiction that has the greatest connection with the dispute. Application of this principle to the present dispute has the advantage that it can be deemed to be an application of all four choice of law principles listed above.

The relevant connections in the dispute before the Arbitrator are the following: (…)

It is evident that Swiss law is the neutral system of law with the greatest connection both with the relationship between the parties and with their present dispute. The parties' contractual relationship is governed by a contract concluded by the parties in Switzerland. The Claimant demands release of the documents stored in the Bank ABC in Geneva, under a contract with the bank governed by Swiss law. The payment of commissions was to have been made in Defendant's Swiss bank account and into Claimant's Swiss bank account, according to the relevant agreements. Compared to these connections, connections to any one of the other relevant jurisdictions are considerably less significant.

Taking into account the submissions of both parties, the nature of their relationship, and the circumstances of the present case, the Arbitrator concludes that the law applicable to the dispute before him is Swiss law.

Referring Principles:

XIV.2 - Law applicable to international contracts