Title:
XIV.3 - Rule of validation/Lex validitatis

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If a contract has contacts to more than one jurisdiction and the parties have not agreed on the applicable law, it is in the presumed interest of the parties to apply the law, both as to form and to substance, that validates the contract ("favor negotii"; "lex validitatis"; "rule of validation").

Commentary:
1 The rule is based on the presumed common intention of the parties that the validity of their contract should be upheld. If the validity of the contract is maintained by one law but denied by another and the contract has a connection to both legal systems, the law should be applied that does not render the contract illegal or void.

2 If, however, the parties have chosen a specific law to be applied to their contract, that choice must be respected, irrespective of whether that law invalidates the contract.