

# Swiss Arbitration Association

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## ASA Reference Series

### Why Choose Swiss Substantive Law

**Swiss law is codified and easy to read:** Swiss law, like the laws of other civil law countries, is codified and thus more easily accessible than the laws of legal systems based on case law. What distinguishes Swiss from other codified laws, however, is that it is written in concise, easily understandable and non-technical language. Moreover, authoritative legal commentaries provide reliable background information and explanations for all statutory provisions.

**Swiss law is available in several languages:** All Swiss legislation is available on the [Swiss government website](#) in the three official Swiss languages, German, French, and Italian. The most important legislation, including the Swiss Civil Code and Code of Obligations, is also available in unofficial English translations on the same website.

**Swiss law is familiar to many jurisdictions:** Swiss contract law is influenced by – and has in turn influenced – the laws of many other jurisdictions, including Germany and France. It was adopted in Turkey and is similar to the laws of many East-Asian civil law jurisdictions.

**Swiss law allows maximum freedom of contract:** Swiss contract law contains very few mandatory provisions. It allows the parties to regulate contractually nearly all aspects of their relationships, including by general terms and conditions. Even the law on labor contracts or real estate leases, although partly mandatory, allows for far greater party autonomy than in many other – including most European – systems.

**Swiss law is reasonable and predictable:** Where the parties do not directly regulate a matter, the default provisions of Swiss law apply. These default provisions are in line with international commercial expectations regarding the parties' respective rights and obligations. In addition, in interpreting statutory law, the Swiss courts take into account the reasonable expectations of the parties and the needs of commerce.

**Swiss contract law is based on good faith:** A crucial feature of Swiss contract law is its emphasis on the parties' reasonable and good faith expectations. Contracts are interpreted based on the parties' actual intent or, where this cannot be established, based on how a reasonable business person acting in good faith should have understood the contract at the time of execution, taking all relevant circumstances into account. This includes a review of the parties' negotiation history and contemporaneous communications and allows contracts to be much shorter and more straightforward than under many other laws.

**Swiss law is a (cost-)efficient choice:** Due to its accessibility, deference to party autonomy and inherent flexibility, Swiss law allows for efficient drafting and – in the event of a subsequent dispute – can be generally be applied directly by arbitrators without the need for expert evidence or extensive pleadings.

**Swiss contract law has stood the test of time:** Swiss law has been a favorite choice of law in countless international contracts for decades, regardless of the origin of the parties and the seat of arbitration. In ICC arbitrations, it is traditionally the most frequently selected governing law from among all civil law countries. This consistent track record is based on the fact that Swiss law offers parties a level of accessibility, flexibility and predictability that few – if any – other substantive legal regimes are able to provide.