New Swiss law and rules for arbitration of corporate disputes in force

by Practical Law Arbitration, with Schellenberg Wittmer

On 1 January 2023, the new article 697n of the Swiss Code of Obligations and the Supplemental Swiss Rules for Corporate Law Disputes entered into force. These provisions allow Swiss companies to submit their corporate disputes to arbitration.

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The new article 697n of the Swiss Code of Obligations (CO), which entered into force on 1 January 2023, allows Swiss companies to include arbitration clauses for corporate disputes in their articles of association.

In parallel, the Swiss Arbitration Centre (SAC) put into effect new Supplemental Swiss Rules for Corporate Law Disputes (Supplemental Swiss Rules). The Supplemental Swiss Rules apply to companies incorporated under Swiss law that have included an arbitration clause referring to the Swiss Rules in their articles of association. However, other entities such as associations or cooperatives may also choose to submit their corporate disputes to the Supplemental Swiss Rules. Moreover, the Supplemental Swiss Rules cover any corporate law dispute within the meaning of the new article 697n of the CO, but companies may limit the scope of application to specific types of disputes.

The SAC has also published a Model Statutory Arbitration Clause which companies may choose to incorporate into their articles of association. It is based on the Model Arbitration Clause of the Swiss Rules and has been adapted to account for the specificities of corporate law disputes. The clause includes (optional) changes to the default rule regarding the appointment of the arbitrators, the allocation of the costs of the arbitration and the exclusion of matters subject to summary proceedings or emergency relief proceedings.

The Supplemental Swiss Rules ensure that persons who may be directly affected by the legal effects of the arbitral award are notified of the commencement and termination of the arbitration, and are able to comment on certain procedural steps.

Finally, the Supplemental Swiss Rules adapt the Swiss Rules on interim and emergency relief to the specificities of corporate disputes. In particular, they grant broad discretion to the arbitrators in dealing with requests for such relief and allow them to defer, or refrain from rendering, a decision on a request for interim relief in a corporate dispute if they deem it more appropriate to leave such a decision to judicial authorities which have been seized with a parallel request.