Contents

List of Figures		xxi	
List of	ist of Tables		xxiii
Table of	Case	25	XXV
Tables of	of Ark	bitration Rules, International Instruments,	
Iuvies C	Jatio	nal Legislation	xxxix
			lix
List of 2	ADDIE	eviations	
Chapte	er 1	Introduction and Context	1
III .	I.	Introduction	1.01
	II.	Background	1.11
		A. International Commercial Arbitration as a Preferred	
		Dispute Resolution Mechanism	1.12
		B. Party Autonomy in International Commercial Arbitration	1.18
		C. The Manifestations of Party Autonomy	1.20
		D. Party Autonomy in Relation to the Applicable Law	1.23
		E. The Conflict of Laws in International Commercial	
		Arbitration	1.28
	III.	The Importance of Conflicts of Laws Questions in	1.00
		International Commercial Arbitration	1.36
		A. The Prevalence of Conflicts of Laws	1.37
		B. Legal Issues Affected by the Resolution of Conflict	1 47
		of Laws Questions	1.47
	IV.	The Purposes of Conflict of Laws Rules	1.86 1.92
	V.	The Bases of Conflict of Laws Analyses	1.92
	VI.	Outline in Context	1.90
Chapt	er 2	THE CURRENT REGULATION OF CONFLICTS OF LAWS	
		IN INTERNATIONAL COMMERCIAL ARBITRATION	49
	I.	Introduction	2.01
	II.	The Legal Framework for Resolving Conflict of Laws	
	11.	Questions in International Commercial Arbitration	2.02
		A. Domestic Law	2.03
		B. Arbitration Rules	2.06
		C. International Conventions	2.11
		D. Party Autonomy	2.15
	III.	Provisions Regulating the Resolution of Conflicts of Laws in International Commercial Arbitration—A New Scheme	
		of Classification	2.22
		A. The <i>Voie Indirecte</i>	2.25
		B. The Voie Directe	2.35
		C. Observed Trends in the Adoption of Private International	ıl 2.47
		Law Provisions	

Contents

IV.	I. The Conflicts Rules of the Place of Likely Enforcement I. General Principles of the Conflict of Laws	2.53 2.55 2.68 2.78 2.81 2.87 2.94 2.97 2.100 2.101 2.104
V.	Conclusion	2.109
Chapter 3	IDENTIFIED ISSUES IN THE CURRENT REGULATORY REGIME	97
I.	Introduction	3.01
II.	Discretion as the Key Feature of the Current Regulatory Regime	3.03
	A. The Pure Voie Indirecte—Discretion in the Choice of Conflicts Rule	3.04
	B. The Pure Voie Directe—Discretion in the Direct Choice of Law	3.09
	C. The Pure <i>Voie Directe</i> and the Guided <i>Voie Directe</i> — Discretion in the Use of Conflicts Rules	3.14
	D. The Pure Voie Directe—Discretion Through Implicit Conflicts Analyses	3.19
III.	A Critical Analysis of the Justifications Given for Arbitral	3.30
	Discretion in Resolving Conflicts of Laws A. Arbitral Discretion as an Extension of Party Autonomy	3.32
	B. Arbitral Discretion as Supporting the Expectations and	
	Intentions of the Parties	3.57
	C. Arbitral Discretion as a Manifestation of Arbitration's	3.67
13.7	Procedural Flexibility A Theoretical Critique of the Current Regulatory Regime	3.81
IV. V.	to the Colon	3.91
٧.	A. Procedural Flexibility and Substantive Certainty Revisited	3.92
	B. Evidence of the Importance of Substantive Certainty	3.93
	C. Substantive Certainty and the Current Regulatory Regime	3.99
VI.	1	3.105
Chapter 4	A Proposed Solution—A Bright-Line Test	145
I.	Introduction	4.01
II.	Perspectives from General Regulatory Theory	4.03
	A. Law and Economics as an Organizing Framework	4.04
	B. Rules, Standards, the Current Regulatory Regime, and the Law's Underlying Certainty and Flexibility Tension	4.06

		Contents	xvii
		 C. The Coase Theorem, and Transaction Costs in International Trade D. Transaction Costs—At the Time of Dispute Resolution E. Transaction Costs—At the Time of Contracting and 	4.11 4.14 4.22
	111	During Contractual Performance F. Transaction Costs—Accessing Professional Legal Advice Perspectives from the Features and Existing Regulation of	4.22
	III.	International Commercial Arbitration A. Perspectives—The General Features of International	4.39
		Commercial Arbitration B. Perspectives—Specific Examples in Arbitration's	4.40
	IV.	Regulation The Case for a Bright-Line Test	4.63 4.95
Cha	pter 5	A Proposed Bright-Line Test—The Closest	
	•	Connection Test	187
	I.	Introduction	5.01
	II.	Assessing the Place of the Closest Connection Test in International Commercial Arbitration	5.03
	III.	Category A—Rules Out-of-favour in the Modern International Commercial Arbitration Environment	5.08
		A. The Conflicts Rules of the Seat of Arbitration—Automatic Application	5.09
		B. The Substantive Law of the Seat of Arbitration—Through a Conflicts Analysis	5.13
		C. The Conflicts Rules Most Closely Connected to the Dispute	5.15
		D. Conflict of Laws Rules Found in a Relevant International Instrument	5.17
		E. The Conflicts Rules of the State Which Would Have Had Jurisdiction, the Conflicts Rules of the Arbitrator's Home	
	11.7	Jurisdiction, and the Conflicts Rules of the Place of Likely Enforcement Category B—Rules Enjoying Contemporary Endorsement	5.20
	IV.	but Recognized as Controversial A. The Conflicts Rules of the Seat of Arbitration—	5.26
		Discretionary Application	5.27
		B. General Principles of the Conflict of Laws	5.28
		C. Default Application of the Lex Mercatoria	5.31
	V.	Category C—Mainstream Approaches	5.54
		A. The Substantive Law Most Closely Connected to the Dispute	5.55
		B. The Cumulative Application of Connected	5.64
	VI	Conflicts Rules C. The Direct Application of Substantive Law The Closest Connection Test as the Optimal Conflict of Laws	5.67
		Rule in International Commercial Arbitration Conclusion	5.71 5.76

Chapter 6	A Proposed Closest Connection Test—The	222
	(Modified) Art 4 Rome Convention Rule	223
I.	Introduction	6.01
II.	Which Closest Connection Test? Choosing a Bright-Line	
	Conflicts Rule Among the Closest Connection Test's Six	
	Variations	6.03
III.	Variation 1: The Bare Closest Connection Test	6.06
	A. The Bare Closest Connection Test Explained	6.07
	B. Sources of the Test	6.09
	C. Theoretical Implications	6.13
	D. Practical Implications	6.14
IV.	Variation 2: The Closest Connection Test with a Presumption	(1)
	Based on Characteristic Performance	6.16
	A. The Characteristic Performance Variation Explained	6.17
	B. Sources of the Test	6.21
	C. Theoretical Implications	6.28 6.32
* 7	D. Practical Implications	0.32
V.	Variation 3: The Closest Connection Test with a Characteristic	6.46
	Performance Tie-breaker	6.47
	A. The Characteristic Performance Tie-breaker Explained	6.48
	B. Sources of the Test	6.51
	C. Theoretical Implications	6.52
VI.	D. Practical Implications Variation 4: The Closest Connection Test with an	0.02
V 1.	Escape Clause	6.54
	A. The Escape Clause Variation Explained	6.55
	B. Sources of the Test	6.56
	C. Theoretical Implications	6.63
	D. Practical Implications	6.69
VII.	Variation 5: The Closest Connection Test as a Supplement	0.07
V 11.	to Hard-and-Fast Rules for Specific Categories of Case	6.71
	A. The Supplementary Closest Connection Test Explained	6.72
	B. Sources of the Test	6.73
	C. Theoretical Implications	6.78
	D. Practical Implications	6.81
VIII.	Variation 6: The Bare Characteristic Performance Rule	6.86
	A. The Bare Characteristic Performance Rule Explained	6.87
	B. Sources of the Test	6.88
	C. Theoretical Implications	6.90
	D. Practical Implications	6.91
IX.	An Evaluation of the Six Variations, and the Case for a	
	(Modified) Art 4 Rome Convention Rule	6.93
	A. Disregarding the Characteristic Performance Tie-breaker,	
	the Escape Clause Variation, and the Bare Characteristic	
	Performance Rule	6.94
	B. The Bare Closest Connection Test, the Characteristic	
	Performance Variation, and the Supplementary Closest	
	Connection Test	6.99

XIX

		C.	The Characteristic Performance Variation/Supplementary Closest Connection Test, and the Bare Closest Connection Test, Compared	6.101
		D.	The Characteristic Performance Variation, and the Supplementary Closest Connection Test,	
		E.	Compared—Theory and Scholarship Modifying the Art 4 Rome Convention Rule—Clarifying the Strength of the Characteristic Performance	6.109
		F.	Presumption The Characteristic Performance Variation, and the	6.128
		C	Supplementary Closest Connection Test, Compared—Inductive Analysis Further Modifying the Art 4 Rome Convention	6.131
			Rule—Evenly Distributed Connecting Factors, and the Nature of the Closest Connection Sought A (Modified) Art 4 Rome Convention Rule as the	6.141
	X.	Со	Optimal Conflicts of Laws Rule in International Commercial Arbitration nclusion	6.155 6.157
Chai	oter 7	Im	PLEMENTATION AND CONCLUSION	283
CITAL	•		roduction	7.01
			thinking the Conflict of Laws in International	
			mmercial Arbitration	7.03
	III.		plementing the (Modified) Art 4 Rome Convention Rule	7.07
			Reforming Arbitration Rules	7.08 7.14
		В.	Reforming Arbitral Laws	7.14
	***	C.	Other Possible Implementation Methods	7.17
	IV.		ow Dismal is the Swamp, and How Habitable Might it come?	7.22
Ann	endix	1 Г	Oraft Submission on the Conflict of Laws, for Use in	
1 PP	CHAIR		Model Law Seated Arbitration	295
т	D			295
			al Background es' Dispute Raises a Conflict of Laws	295
II.	The C	irue	rning Substantive Law is to be Determined in	
III.	The G	ove	ce with Art 35(1) UNCITRAL Rules 2010	296
TX 7	Accord	ıan b.	anal Should Apply the Closest Connection Test,	
IV.	Trus II	กป กป	That the Law of [State X] Applies	297
V.			or Relief	299
Арр	endix	2 I	Oraft Application for the Setting Aside of an Award or Conflict of Laws Grounds, for Use in Relation to a	ı
			Model Law Seated Arbitration	301
т	Drocco			301
II.	The A	rbit	al Background ral Tribunal's Conflict of Laws Determination Was to in Accordance with Art 28(2) <i>Model Law</i> 2006	
	ne Ivid	ue.	III ACCOLUMNCE WILLIAM 20(2) INTONO LINE 2000	-

XX	Content

	The Arbitral Tribunal Identified [State X] Law as Applicable on the Basis that it Was the Most Appropriate Law	303
	The Award Must be Set Aside as the Arbitral Tribunal Erred in its Conduct of the Proceedings Request for Relief	303 305
٧.	104000101	
App	pendix 3 Draft Procedural Order, on the Conflict of Laws	307
	Procedural Background	307
	Determining the Governing Substantive Law—The Legal	
	Framework	307
III.	Determining the Governing Substantive Law—The Parties' Agreement	309
IV.	The Arbitral Tribunal's Order	310
т. 1		311
Ind	ex	