William Cecil, Fiona Cain in Westlaw Today: ‘London: An International Hub for Dispute Resolution’

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William Cecil and Fiona Cain of Haynes Boone, LLP discuss important factors to consider when drafting an arbitration clause.

Arbitrations seated in London resolving disputes which are subject to English law continue to dominate the arbitration landscape. This popularity is the result of England's long-established and well-respected legal system that has been supportive of arbitration for many years.

The UK's departure from the European Union last year has no reason to change this for the reasons we will consider below. Before looking at this, we firstly set out some key considerations that all parties should consider when entering into a contract and deciding how to arbitrate any disputes that arise under the contract.

Key Considerations when Choosing Where to Arbitrate

Arbitration clauses in international contracts are often treated as an afterthought in the contract negotiations — the product of a last-minute horse trade before contract signing. As a result, they often end up as a hybrid of the parties' original negotiating positions.

The arbitration clause is however one of the contract clauses that can impact on the entire contract. This is because, whatever contract provisions are included in a contract, in practice these provisions will only be effective when enforced through an arbitration award.

So, a contract is, in this sense, only as effective as the arbitration clause. It is therefore essential that the parties to a contract give it appropriate consideration.

Excerpted from *Westlaw Today*. To read the full article, click here.