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Analysis: A new international commercial court for Zurich

Marcel Frey and Urs Feller of Prager Dreifuss outline the planned Zurich International Commercial Court, set to launch in 2027, and assess its potential advantages over arbitration for resolving cross-border commercial disputes



Though there has been talk of 'deglobalisation' of late, the realm of legal processes is still gliding in the wake of interconnectivity. The establishment of courts dealing with international commercial disputes is dotting the landscape in countries with strong international trade and business histories.

In the past decades, specialised state courts offering dispute resolution mechanisms for international commercial litigants have sprung up between Dubai and Singapore in the East and Frankfurt, the Netherlands, and Paris in the West. The reasons for the establishment of these special courts are at least twofold: some are an ancillary consequence of special trade zones, while others are the marketing measures of well-established jurisdictions attempting to attract more legal work to their shores.

Based on its internationally recognised wealth of experience and expertise in the field of commercial dispute settlement, the Swiss canton of Zurich has decided to join the circle of hubs vying for commercial parties searching for a good forum to resolve party disputes in multinational contexts. These efforts go back to 2018 and are now coming to fruition.

In less than one and a half years, the Zurich International Commercial Court (ZICC) is expected to become operational in the city and open its doors to parties

from across the world. This article will give a short overview of the genesis of, and procedures at, the ZICC and highlight the potential advantages it offers to litigants from all over the globe.

Preparatory works

The commercial court at the Zurich High Court goes back to 1867 and forms part of the local high court structure. The Zurich High Court ordinarily acts as the second-instance and appeal body for judgments of the first-instance district courts of the canton. In commercial disputes, hitherto solely defined as disputes pertaining to the commercial activity of at least one party and between parties that are registered in the Swiss Commercial Registry or in an equivalent foreign registry with a dispute value of at least CHF 30,000, the Zurich Commercial Court has to date acted as a first-instance court, without the parties needing to go through district court proceedings.

To extend the perceived advantages of the Zurich Commercial Court to foreign litigants by means of jurisdiction agreements, a revision to the federal Civil Procedure Code (CPC) and the underlying cantonal court structure laws was undertaken between 2018 and 2025. This included opening up the Zurich Commercial Court's jurisdiction to disputes submitted to it by non-Swiss parties based on an express jurisdiction clause or special agreement and permitting the procedure to be held in English.

Under the revised CPC rules, cantons are permitted to assign disputes to commercial courts (where available in the cantons, such as the Canton of Zurich) if:

- The dispute concerns the business activities of at least one party;
- The value in dispute is at least CHF 100,000; and
- The parties have agreed to the jurisdiction of the commercial court.

In addition, at the conclusion of the agreement, at least one party must have had its domicile, habitual residence, or registered office outside Switzerland.

The Zurich Commercial Court (which will act as the ZICC) has always been unique in that its cases have been dealt with by a pragmatic mix of ordinary high court judges with strong Swiss and international law acumen together with seasoned lay (but expert) judges from various industry sectors appointed to the bench on a case-by-case basis according to the area of commerce involved in the dispute. This gave, and still gives, the Zurich Commercial Court a strong understanding of the underlying commercial relationships and technicalities of the dispute, while bringing jurisprudential clout to the courtroom.

It is expected that the amendments to the organisational acts on a cantonal level in Zurich should be completed soon with the requisite legislation coming into effect by 2027, the year in which the ZICC at the Zurich Commercial Court should take up its work.

Procedure, language, costs

It should be noted that the ZICC will not be a different court nor a special branch of the Zurich Commercial Court but rather a 'brand' of the latter when dealing with international matters by parties that have negotiated its jurisdiction pursuant to the aforementioned special provisions of the CPC. As such, the court remains bound by the normal federal procedural laws (i.e., the CPC) and the cantonal tariffs governing domestic proceedings.

Also, no special bench of English-speaking judges has been created, as the Zurich Commercial Court is confident that its members are already sufficiently conversant in English to administer proceedings and adequately competent to draft decisions in that language. Even before the ZICC's inception, parties were permitted to adduce English evidence in proceedings without a translation (i.e., contracts or other evidentiary documents), a tradition that will now be extended to all areas of the trial.

In particular, the fact that court fees and party costs will be calculated based on the applicable Zurich statutory tariff – which, though higher than rates in surrounding European states, compares well with arbitration expenses – could see certain litigants consider ZICC proceedings over the International Chamber of Commerce (ICC) or the Swiss Rules of International Arbitration (the Swiss Rules).

Additional benefits

In addition to the advantages of litigating in English, a language commercial parties will feel at ease with, the forum in Zurich offers a wide array of additional characteristics that may be welcomed by parties looking for an appropriate venue, be it in advance of a contractual relationship or after the outbreak of a commercial discord.

The choice of Swiss material law for commercial contracts and enterprises has a long practice and agreeing on the ZICC will no doubt lend itself as a holistic addition to a commercial endeavour already subject to Swiss law. The ZICC judges, which in part will be ordinary high court officers, are familiar with all aspects of Swiss commercial law and the specialist judges complementing the bench offer vast experience in the various potentially affected industries (banking, finance, construction, insurance, trade, resources, etc.) faced with international disputes. By agreeing on the ZICC, parties can access this expertise without needing to select and engage arbitrators.

Furthermore, Swiss courts, and particularly the Zurich Commercial Court, are known to be efficient and very settlement-orientated. Based on the 2024 figures, 59% of the full-bench cases coming before the Zurich Commercial Court are settled and about 31% of the cases are resolved within six months, with approximately 70% of the suits ending within a year of being lodged.

In addition, given that ZICC judgments are only appealable to the Swiss Supreme Court, which is also known to be quick when adjudging appeals (many cases are final within six to nine months), parties may safely assume that their dispute will be concluded within a reasonable period.

Lastly, Switzerland is recognised as a hub of political and social stability, and a good place to settle disputes. With its neutral tradition, it offers parties to multinational agreements a safe haven from the perceived bias of the jurisdictions of one of the dispute parties, far away from the threat of corruption, dependence, and undue legal delays. The strong, broad, and cosmopolitan legal community in Switzerland, and in Zurich as its economic centre, boasts outstanding legal practitioners with solid proficiency in English, good supporting infrastructure, and a long liberal and commerce-friendly legal tradition.

When compared with arbitration

One may reasonably ask whether the establishment of the ZICC could cannibalise the arbitration practices that

are well established in Zurich (and even Switzerland). Though this was perceived as a possible threat at the outset, more likely than not, the appeal of the ZICC will complement the Zurich legal hub rather than work to its detriment, drawing parties to Zurich, rather than abroad.

International parties that are seeking the undisputed advantages of arbitration (in Switzerland) – such as opting for a forum of their choice, being able to nominate their own arbitrators and legal representatives to the dispute, taking an active part in and influencing certain aspects of the procedure by choosing the applicable rules or amending them to their needs, while enjoying the confidentiality of proceedings – can still take that route.

However, parties weighing up their options may well consider including the ZICC in their agreements, or offer this forum as a compromise in a litigious situation, if they deem factors such as the arbitrator nomination process as cumbersome for their dispute. In particular, SMEs with an international trade exposure might consider the ZICC as a middle solution when engaging with overseas partners, as it offers the safety of the well-established and well-known Zurich Commercial Court with the new benefits for counterparties such as English as a medium, doing away with time-consuming and costly translations, and making proceedings more immediate and tangible.

At the same time, such parties will welcome that trying aspects of international arbitration such as challenges in the appointment process, or domesticating interim measures, will fall by the wayside. A further aspect that will no doubt bear significant importance is the cost consequences involved when likened to international arbitration.

A rough calculation may underscore this point: a dispute with a value of CHF 5 million could cost parties approximately CHF 370,000 in fees under the rules of the Swiss Arbitration Association and over CHF 400,000 pursuant to the ICC rules. Furthermore, the ordinary tariffs at the Zurich Commercial Court (and hence in the future also of the ZICC) would amount to less than half of that figure in a comparable scenario. Even when the dispute amount is increased to CHF 20 million, a party would face tribunal fees of about CHF 619,000 and approximately CHF 590,000, respectively, in the arbitration forums, while the future ZICC would most likely charge around CHF 340,000.

Compared with the costs facing a party in ICC- or Swiss Rules-administered disputes, one may safely assume that ZICC fees will range significantly lower, simply because the cantonal tariff is relatively benign. This may further be impacted positively by the Zurich Commercial Court's long-standing practice of settling disputes in most cases and doing so at an early stage of proceedings (after the first exchange of briefs), which reduces ordinary fees additionally. Also relevant is the aspect that the usual disclosure of evidence in arbitration does not exist in proceedings before the ZICC.

With regard to enforcement, arbitral awards benefit from international recognition under the New York Convention, an argument frequently raised in favour of arbitration. Nevertheless, a Swiss judgment by the ZICC should not suffer any lesser international enforceability. Based on its strong international network of state treaties on recognition, especially the Lugano Convention, the ZICC decisions will be widely recognisable internationally.

Outlook for the ZICC

With the prospect of the ZICC becoming operational at the beginning of 2027, it remains to be seen whether commercial parties will start including this court in their international contracts as an alternative to arbitration or normal court processes.

For the time being, the Zurich Commercial Court has not hired additional staff or commissioned more courtrooms. It expects that the uptake of the service will be gradual and not necessitate advance preparation. Drafters of international contracts, however, are well advised to consider the ZICC as a suitable alternative for their dispute resolution clause.



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