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NEWSLETTER

Reliance Trust Group
Private Wealth & Dispute Resolution Update
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Switzerland as a Leading Forum for Trust Arbitration

As cross-border wealth structures grow in complexity, the choice of dispute resolution forum has become a critical planning consideration for trustees and settlors alike. This edition examines how Switzerland has emerged as a leading seat for trust arbitration — and what this means in practice for structuring trust documentation.

At a glance

- Switzerland now offers a clearer legal framework for trust arbitration.
- The TEF Rules improve representation and notification in complex trust disputes.
- Swiss arbitration clauses should be considered in trust and family-related documents.

Why arbitration suits private wealth disputes

Arbitration is well suited to private wealth disputes, offering a combination of key advantages:

- Confidentiality
- Specialist expertise
- Flexibility
- Efficiency
- Enforceability

These features are particularly valuable in the increasingly international context of wealth planning and trust-related disputes, where trustees and beneficiaries are often spread across multiple jurisdictions. Structures may involve diverse and significant asset classes, including operating businesses. In such cases, specialised expertise is key, as arbitrators must be familiar not only with arbitration but also with private wealth structures, fiduciary duties, succession issues and cross-border asset arrangements.

Switzerland's legal framework

Over time, Switzerland steadily positioned itself as a leading jurisdiction for the resolution of trust disputes through arbitration. A key milestone was reached in 2021, when amendments to the Swiss Civil Procedure Code and the Private International Law Act expressly confirmed the validity of arbitration clauses in unilateral instruments — including trust deeds, wills and foundation statutes — provided the seat of arbitration is in Switzerland.

The TEF Rules

Building on this foundation, the Swiss Arbitration Centre introduced the Supplemental Swiss Rules for Trust, Estate and Foundation Disputes (TEF Rules), which entered into force on 1 July 2025. The TEF Rules supplement the Swiss Rules of International Arbitration by introducing key innovations, notably ensuring the notification and representation of all "entitled persons" (including minors and unborn beneficiaries) and facilitating tribunal formation in complex multi-party disputes.

Practical drafting considerations

In practice, settlors and trustees may wish to reinforce the arbitral framework by obtaining express acknowledgements from beneficiaries where feasible, ensuring consistency of arbitration clauses across related documents, and addressing the consequences of non-compliance in the trust instrument.

Key takeaway

Switzerland has developed a pragmatic arbitration framework for trust disputes. Including a Swiss arbitration clause in trust documentation and related family agreements should be actively considered — it provides a robust, flexible and internationally effective mechanism for managing potential trust disputes in the future.

Clients and advisers may wish to consider Swiss arbitration as a practical option when structuring or reviewing dispute resolution arrangements for trusts, foundations and family governance matters.

Prepared by Reliance Trust Group