Arbitration clause governed by CMR Convention requires express reference to Convention (Svea Court of Appeal)

by Practical Law Arbitration, with Westerberg & Partners

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In NTG Multimodal GmbH v If Skadeförsäkring AB (Case Nos T 13423-24 and T 1729-25), the Svea Court of Appeal declared that an arbitrator lacked jurisdiction over a dispute and set aside their awards, in circumstances where the arbitration clause was governed by the Convention on the Contract for the International Carriage of Goods by Road but did not expressly reference that instrument.

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The Svea Court of Appeal (CoA) has declared that an arbitrator lacked jurisdiction over a transportation dispute, and set aside two awards issued, because the arbitration clause did not meet the requirements of article 33 of the Convention on the Contract for the International Carriage of Goods by Road (1956) (CMR).

The case concerned an SCC arbitration between If Skadeförsäkring AB (IS) and NTG Multimodal GmbH (NTG). NTG had concluded a framework agreement with IS' insured for transportation of goods between Sweden and Italy. IS brought a recourse claim against NTG to recover costs incurred after it had compensated its insured for goods which were stolen in transit. The agreement provided for SCC arbitration and the CMR applied to the dispute.

NTG participated in the arbitration but objected to the arbitrator's jurisdiction, claiming that the arbitration agreement was invalid. The arbitration clause did not stipulate that the arbitrator should apply the CMR, as required by article 33 of the CMR, and article 41 invalidates contractual provisions that deviate from the CMR. However, the arbitrator accepted jurisdiction and rendered a partial award on payment of the advance on costs and a final award, both in favour of IS.

NTG challenged the arbitrator's rulings before the CoA, seeking a declaration that the arbitrator lacked jurisdiction and requesting that both awards be set aside.

In upholding NTG's challenge, the main issue for the CoA was whether the arbitration agreement was valid under the CMR. It noted that guidance from international case law and legal literature on this issue was not entirely uniform. However, the CoA concluded that a reference in the arbitration clause to the application of Swedish law did not satisfy article 33 of the CMR, even though Swedish law incorporates the CMR. The incorporation of the CMR in the framework agreement was also insufficient, according to the CoA. Therefore, the arbitration agreement was invalid, and the CoA declared that the arbitrator lacked jurisdiction over the dispute. Consequently, the CoA set aside the partial and final awards.

The CoA applied a strict and literal interpretation of article 33 of the CMR, requiring an explicit reference to the CMR in the arbitration clause itself. However, the CoA granted leave to appeal its ruling, likely noting that the issue is not straightforward. If the ruling is appealed, the Supreme Court must also decide whether to grant leave to appeal.

Case: NTG Multimodal GmbH v If Skadeförsäkring AB (Case Nos T 13423-24 and T 1729-25) (Svea Court of Appeal) (20 October 2025).

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