Introduction

Mediation is essential for resolving international business disputes without getting involved in time-consuming and costly litigation or arbitration. Today's international landscape is a network of complex business transactions that lead to disputes of all kinds, made even more challenging by multi-jurisdictional legal systems, language differences, and cultural issues. Mediation is more conducive to resolving disputes in a business-like manner and helps to maintain business relationships. An example is the mediation of a cross-border dispute between a Swiss company and a Chinese company, with the assistance of the China International Commercial Court. The dispute involved a contractual matter of approximately USD 10 million and is a testament to the value of mediation in the modern economy (govt.chinadaily.com.cn, 2025). The dispute resolution system did not merely resolve the immediate dispute but did so in a manner that established the foundation of cooperation between the parties, demonstrating the effectiveness and value of mediation to resolve disputes. The case provides the foundation for the discussion of issues pertaining to mediation and the resolution of international disputes.

Main Body

The Importance Of Mediation In Resolving International Business Disputes

What makes mediation stand out among other means of dispute resolution, and what makes it such an efficient means of settling international business conflicts, is the fact that it is flexible, less expensive, and helps preserve business relationships (Zhomartkyzy, 2023). In an international business context, conflict is inevitable among parties from different cultural, legal, and geographical backgrounds, which can make arbitration and/or litigation expensive and complicated. Instead of allowing conflicts to disrupt the business relationship and cause delays, mediation helps all parties negotiate a win-win solution with the assistance of a neutral third

party. This approach to dispute resolution is not only less costly but also less time-consuming, all while avoiding the rigid and adversarial traditional legal process.

When examining the Swiss company and the Chinese company's disputes worth ten million dollars ($10 million), mediation served an indispensable purpose. Thanks to the China International Commercial Court, mediation was neutral, and several problems were solved, such as the Chinese company's deregistration and the risk of international currency fluctuation (legal one global 2024). The mediation helped resolve the problems quickly due to the emphasis placed on the long-term business relationship needed and the wants of both parties. This case emphasizes the ability of mediation to resolve disputes on an international scale without damage to the business relationship.

Analyzing the cross-border dispute between the Swiss and the Chinese companies

In this case, mediation is talking about international business disputes concerning multiple jurisdictions. Such disputes are especially complicated because of the various legal systems, economies, and cultures involved. Such disputes are likely to happen when businesses from different countries authenticate contractual agreements and subsequently develop conflicts. What makes such scenarios more complicated is the issue of jurisdiction. Thus, parties are required to deal with so many legal systems, international law, and trade law (Khidoyatov, 2025). For example, enforcement of a decision or a compromise from a court of one country is very likely to face a myriad of challenges on account of the country's domestic law and the issue of legal harmonization. Such disputes may include the devaluation of currencies, the requirement to comply with international trade agreements, or the different intentions of the parties to the contract. Mediation is important because these conflicts cannot be legally settled, and mediation is a flexible, rather than a legal, avenue that does not involve protracted and expensive litigation.

One perfect illustration of a global disagreement is the argument between the Swiss company and the Chinese company. The argument started because of a contract breach, and the Swiss company tried to obtain an order from the London Metal Exchange due to the Chinese company having to pay almost $10 million and the compensation due (govt.chinadaily.com.cn, 2025). The problem became more complex because the Chinese company was unregistered and did not inform the Swiss party; thus, there were additional problems with the enforcement of the judgment. This is a classic example of cross-border. Along with the problems of communication, there were jurisdictional issues from both countries. To solve the problems, the Swiss Company asked the China International Commercial Court to help, which provided the Swiss Company with a mediation service. With the mediation, the parties involved in the conflict attained a low-risk settlement with enforcement and currency, thus proving that a settlement was possible and how mediation was an efficient way to settle a cross-border conflict.

Mediation Model Laws, Methods, Rules, And/Or Standards Applicable

To safeguard equity and ensure responsibility in litigation, numerous frameworks, treaties, and systems of rule in international mediation work together in harmony. For instance, The Singapore Convention on Mediation seeks to create an international legal standard for the enforcement of mediated settlement agreements. It is now 2019, and this very reason explains why this treaty is the first of its kind. It creates a level of assuredness in many countries, thus allowing international businesses to operate with even greater confidence legally. (Phillips, Calo & Abramson 2024). The other key standard is the UNCITRAL Model Law on International Commercial Mediation. It is a standard that seeks to add value to the legal framework in place that seeks to regulates mediation in other countries. It focuses on law and fairness, that is, procedural. (O'Malley 2022). Aside from these two, a number of other countries, e.g., China,

have their own rules on mediation aimed at assisting in the resolution of disputes that cross borders. These include the China International Commercial Court (CICC) Mediation Rules, which set out a framework for the resolution of international disputes. (Moreira & Lin 2024).

When it comes to the Swiss company and the Chinese company, the China International Commercial Court (CICC) utilized a mediation model aligned with internationally acknowledged mediation. The CICC has mediation rules tailored to transnational mediation and dispute resolution, which provide an equitable and organized approach with biases being relatively minimized. Such rules allowed both sides to negotiate their settlement in a neutral and adequately efficient forum. The court facilitated the mediation by fast-tracking internal clearance, circled around mediation with respect to risks such as currency inconvertibility, which could have destabilized the mediation settlement. The CICC utilized these rules to address the conflict in dispute resolution with respect to the complexities surrounding the dispute, cross-border enforcement. The mediation process allowed the parties to come to a resolution that the court could enforce and that was in the best interest of all parties. This illustrated the CICC mediation rules to provide a predictable outcome in a transnational trade conflict.

Ethical Dilemmas Associated With The Mediation Process And Strategies To Reduce The Risk

International business mediation is surrounded by ethical dilemmas owing to differing legal frameworks, cultural norms, and power discrepancies among the disputing parties. One prominent ethical issue is the power imbalance. One disputing party may have more financial or legal strength, which may cause the party to receive an unjust settlement (Shapira, 2024). This is more pronounced with international legal disputes, especially if one party is unaware of the legal or business customs of the other party's country. Take the case of the Swiss and Chinese

companies. The Chinese firm's deregistration added complexity to the case and may have put the Swiss company in an unenviable position in terms of enforcement. Another ethical concern is confidentiality. Mediation is enjoyed by parties in dispute because of the confidentiality of the mediation process. However, there is always the danger of one party leaking confidential mediation details for a positional advantage. A mediation settlement is only equitable if both parties have faith in the confidentiality of the mediation.

Some strategies and measures can be employed to minimize ethical challenges. Neutrality and impartiality of the mediator are foundational for cross-border disputes. With respect to the Swiss and Chinese companies, the China International Commercial Court (CICC) provided a neutral venue with an impartial mediator who understood the legal systems of both parties. Risks associated with the mediation are mitigated through transparency, where both parties to the mediation are granted equal access to the same information to reduce the likelihood of misinterpretation and/or information manipulation (Gaffney 2022). Moreover, cross-border disputes require an appreciation of the contending parties' cultures to help fine-tune the mediation to the values and styles of negotiation in the dispute. The CICC's mediation, where both Swiss and Chinese firms' concerns regarding the mediation maintaining balance with respect to currency risk and internal approvals, demonstrated that mediation was ethical, and allowed the parties to resolve the dispute satisfactorily.

Summary or Conclusion

During the mediation involving Swiss and Chinese enterprises, which I also participated in, I also considered the mediation to be one of the most exemplary instances of mediation facilitating the resolution of longstanding and intricate cross-border disputes. The China International Commercial Court's participation enabled a balanced and orderly setting in which

the two sides were able to negotiate an equitable resolution. The mediation managed to resolve most pertinent matters, including the problems of jurisdiction, deregistration, and currency risk. However, in this mediation, I would have a different approach with respect to the engagement, at the outset of the process, of legal and financial specialists to address the potential currency risk and enforcement risk that could have avoided prolonging the mediation process. In my opinion, a greater focus on trust formation at the onset of the process would also have a positive impact. Trust formation activities would have balanced the power disparities that existed in the mediation. This would help ensure that the parties would have a sense of empowerment and confidence to collaborate and arrive at an outcome that would stand the test of time.

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