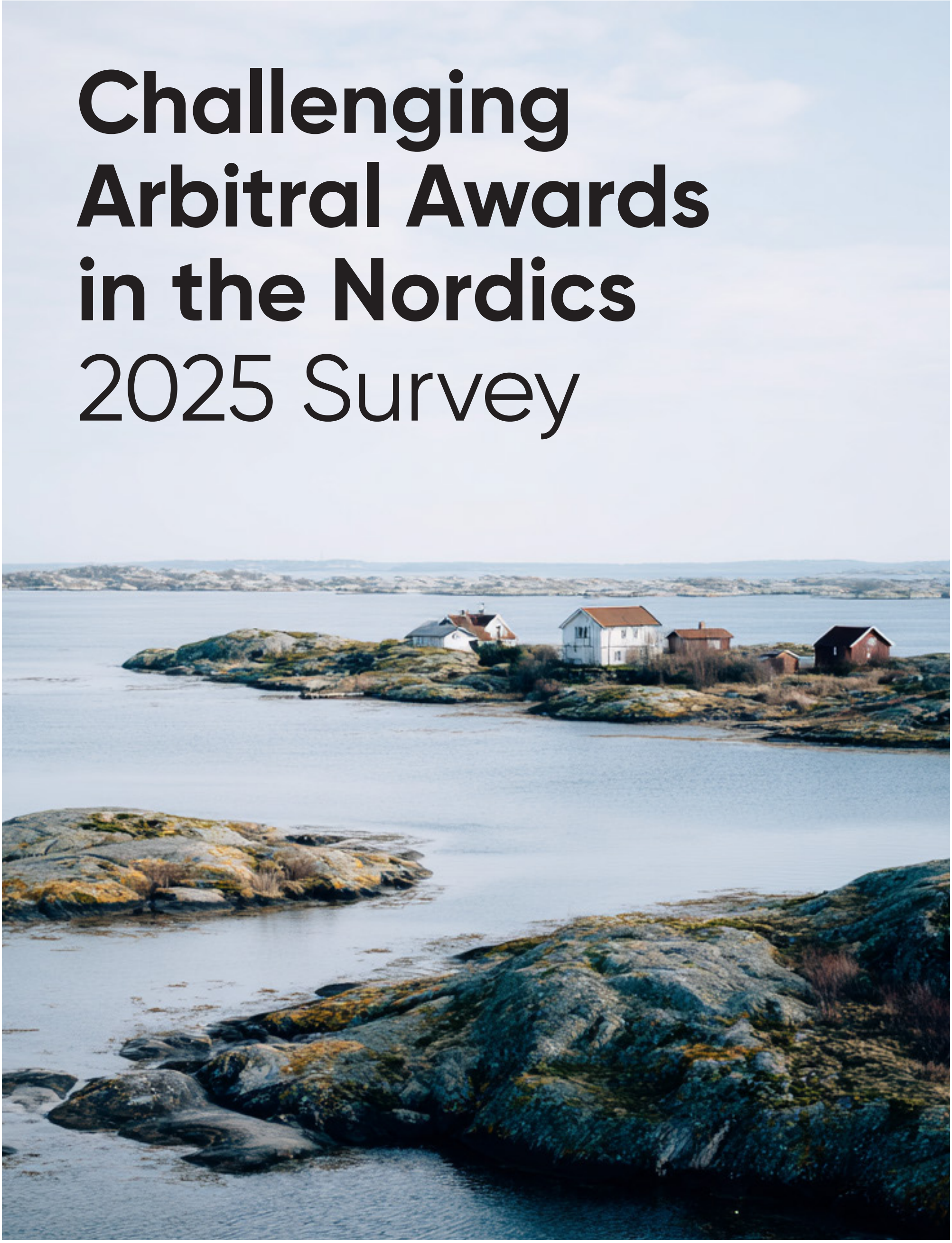
Challenging Arbitral Awards in the Nordics
2025 Survey



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Denmark | Finland | Norway | Sweden

Introduction

This is the third report on challenging arbitral awards in the Nordics, encompassing Denmark, Finland, Norway and Sweden.

It is a recurring publication aiming to facilitate the development of arbitration in the Nordics.

Separate in-depth country reports on challenges of arbitral awards may be released for respective countries, in which case they will be made available on the homepages and social media accounts of the contributing firm.

This year's report has a special focus on the Nordic approach to conflict of interest as a ground for setting aside arbitral awards.

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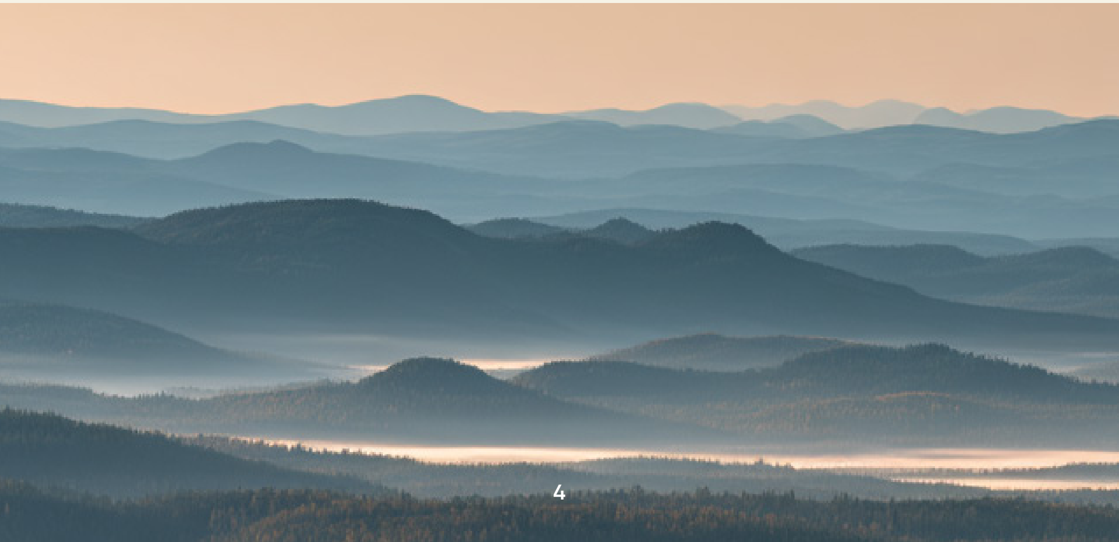
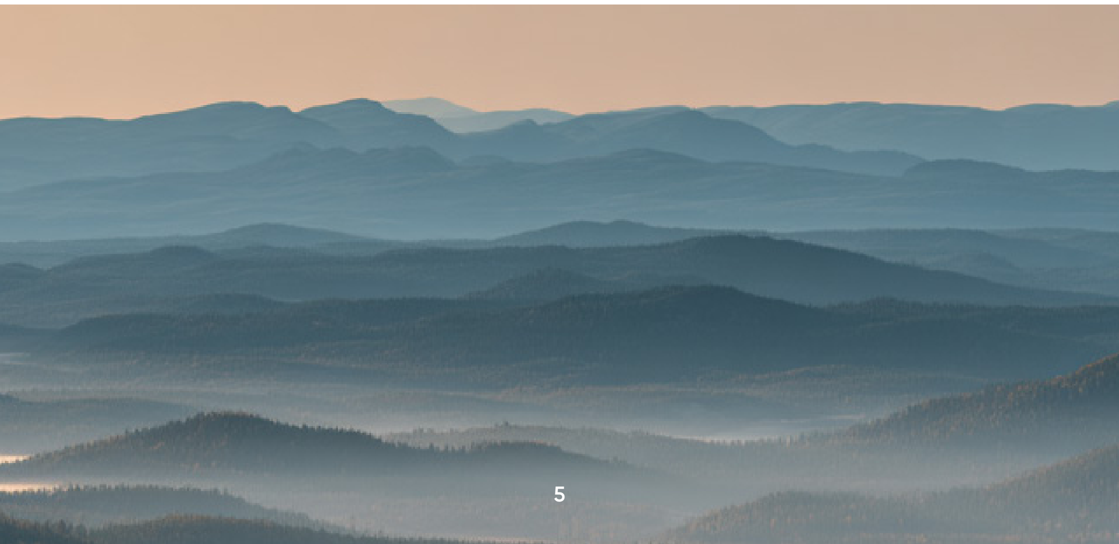




Executive summary

The survey shows that the number of challenges to arbitral awards remains low. Although the number of challenge cases slightly increased during 2025, fewer challenges were successful compared to 2024.

In 2025, there were exceptionally four Supreme Court decisions rendered in actions to challenge arbitral awards, one from Finland, one from Norway, and two from Sweden.

The four Nordic countries take a similar approach to conflict of interest as a ground for setting aside arbitral awards. In all countries, arbitrators must be impartial and independent of the parties, and an arbitral award may be set aside due to an arbitrator's conflict of interest, assessed through an objective overall evaluation of whether the circumstances create justified doubts about the arbitrator's impartiality or independence.

Methodology

In **Denmark** the data was collected by contacting the Danish Institute of Arbitration (DIA) as well as the Danish Building and Construction Arbitration Board in combination with outreach to the Danish arbitration community via social media, the newsletter of the DIA and through search in published court rulings.

In **Finland** the data was collected by contacting all courts of first and second instance. The courts were asked to provide all judgments and decisions rendered in 2025 concerning the set-aside and annulment of arbitral awards. The Finnish Legal Register Centre was also contacted for judgments and decisions on the same topic. Cases decided by the Supreme Court of Finland were obtained directly from the Supreme Court's website.

The authors of this report note that Finnish courts and the Legal Register Centre have implemented a new case management system during the course of the year 2024, which currently lacks a search

functionality by key words. As a result, this year's case information for Finland may be incomplete, as it is possible that some relevant cases have not been identified due to current limitations in the search functionalities. To address this, the authors of this report have reached out to the largest law firms in Finland specialising in arbitration matters to identify any cases that were not provided directly by the courts. We have also been informed that the search capabilities of the courts' new case management system are actively being developed, and we anticipate that any incomplete information may be supplemented in the 2026 survey.

Like in **Finland**, the data in **Norway** was collected by contacting the courts of first and second instance and asking them to provide all judgments and decisions rendered in 2025, concerning challenges to arbitral awards. Cases decided by the Supreme Court of Norway were obtained directly from the database lovdata.no.

In **Sweden** the data was collected by contacting all six courts of appeal, being the first instance in challenge proceedings, and the Supreme Court. The courts were asked to provide all judgments and decisions rendered in 2025 concerning challenges to arbitral awards. The data was then cross-checked with the information available in legal databases. Statutory arbitrations such as compulsory redemption under the Swedish Companies Act have not been included.

The authors of this report are mindful that the information gathered may not be complete, but it is deemed being sufficiently robust for the purposes of this report. All feedback and any further unaccounted case information is welcome.[1]

[1] During this year's research the authors have become aware of two cases regarding 2023 and 2024, which we have not previously been aware of. This has led to corrections regarding the statistics for 2023 (Denmark) and 2024 (Finland).

The Nordic approach to conflict of interest as a ground for setting aside arbitral awards

In this year's report, we focus on common features in the Nordic courts' assessment of conflict of interest as a ground for setting aside an arbitral award. This section aims to provide a brief summary of the topic and an outline of key cases that illustrate the Nordic approach to assessing the circumstances that may affect an arbitrator's impartiality and independence.

The Nordic countries of Denmark, Finland, Norway, and Sweden exemplify how different legal systems within a regional context have developed similar yet distinct approaches to this critical issue, balancing the need for arbitrator independence with the practical realities of arbitration practice. This article examines the common legal framework and highlights the most important cases from each jurisdiction.

Across Denmark, Finland, Norway, and Sweden, conflict of interest of an arbitrator constitutes a recognised ground for setting aside arbitral awards. All four countries require arbitrators to be impartial and independent. The assessment of whether a conflict of interest exists involves an objective overall evaluation of circumstances that may affect the arbitrator's impartiality and independence. This assessment may take into account both the significance of each circumstance and the number of such circumstances.

Circumstances that give rise to justifiable doubts about an arbitrator's impartiality typically include financial or personal relationships between the arbitrator and a party, such as the arbitrator or their law firm having a current or recent client relationship with one of the parties, the arbitrator holding shares in or being indebted to a party, or close personal relationships with a party or their representatives. Concurrent roles also raise concerns, such as when an arbitrator or his or her firm simultaneously represents a party in separate proceedings or has previously advised on the subject matter of the dispute.

The assessment is objective, focusing on whether a reasonable and informed third party would have doubts about the arbitrator's ability to decide impartially, rather than requiring proof of actual bias. Importantly, multiple circumstances that individually may not suffice to establish a conflict can, when considered cumulatively, give rise to justifiable doubts about impartiality.

In all four jurisdictions, unless the parties have agreed otherwise, a reasoned objection must be submitted in writing to the arbitral tribunal within 15 days after the party became aware of the appointment of the arbitrator and the circumstances on which the objection is based. Parties may waive their right to challenge an arbitrator. If the party learns about the circumstances only after the arbitral award has been rendered, the award can be challenged during the period prescribed in the applicable law.

In all four countries, the criteria and different categories mentioned in the IBA Guidelines on Conflicts of Interest in International Arbitration may be relevant (but not decisive) when assessing an arbitrator's impartiality and independence. Generally, there is no requirement on impact, i.e. it is not necessary to prove that the conflict actually influenced the award.

The following case law is illustrative of the topic:

In the **Finnish Supreme Court precedent KKO 2005:14, the Supreme Court was tasked with assessing the preconditions for an arbitrator's conflict of interest.** In the said case, the arbitral award had been set aside by the Court of Appeal due to the presiding arbitrator's conflict of interest. The issue resurfaced in a subsequent claim for damages against the arbitrator. The arbitrator was a law professor and had issued four legal expert statements during the arbitral proceedings to a bank that was both an intervening party in the proceedings and the owner of one of the parties to the arbitration. For these statements, the presiding arbitrator had charged the equivalent of EUR 38,000, but had not disclosed these circumstances to the parties. The Supreme Court held that issuing these statements for significant fees gave rise to justifiable doubts as to the arbitrator's impartiality and independence and a conflict of interest was therefore at hand.

The Supreme Court further considered that the presiding arbitrator had been under a duty to disclose the submission of the expert statements to the parties, and that the failure to do so had been negligent and causally connected to the financial damages incurred to the parties due to the setting aside of the arbitral award. Thus, the arbitrator was liable to compensate the parties for the incurred damages.

In the **Danish Supreme Court Case U.2010.802H, an arbitrator (A) was found objectively disqualified because he had previously advised one of the parties (B) during the original contract negotiations with party C's predecessor and had drafted an alternative formulation of the key clause (clause 10) that later became central to the arbitration.** This prior drafting activity meant that A had participated in shaping part of the contractual basis the tribunal was required to interpret. B became aware of A’s involvement about a week before the oral hearing, yet no objection was raised either before, during, or immediately after the hearing. Instead, the challenge was submitted several months later, shortly before the award was issued. Since the objection was not raised “as soon as possible,” the courts held it was time-barred under section 13(4). The award was therefore upheld despite A’s objective bias.

In the **Supreme Court of Sweden Case NJA 2007 p. 841, an arbitral award in an employment dispute was set aside due to concerns over the chairperson's impartiality.** The claimant discovered that J.L., a former Supreme Court Justice serving as chairperson, was a consultant with a law firm that provided services to the respondent's corporate group. J.L. received fixed annual compensation representing approximately 20 per cent of his income and was listed on the firm's website. The Supreme Court applied an objective test for assessing conflicts of interest, referencing the Swedish Arbitration Act, international arbitration rules, and IBA Guidelines. The Court found that J.L.'s employment relationship with the law firm, as confirmed by the Swedish Bar Association, created circumstances detrimental to trust in his impartiality. Since the respondent's group was a commercially significant client of the law firm, the Supreme Court held that J.L., like any attorney at the firm, should have declined the appointment. The Court emphasised that this assessment did not depend on whether J.L. had direct client contact or whether his arbitration practice was separated from the firm's business. Consequently, the arbitral award was set aside.

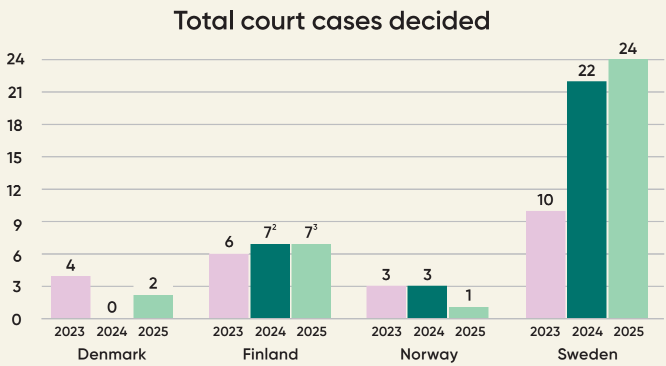
In the **Supreme Court of Norway Case no. HR-2025-921-A, the Supreme Court assessed whether an arbitrator was disqualified because he was partner in a law firm instructed on another case by one of the parties whilst the arbitrationcase was ongoing**, concerning an environmental law matter that had been initiated in April 2017 and completed in August 2023, for which a total of NOK 1.9 million including VAT was invoiced over six years. The Court found this was insignificant in relation to the law firm's other activities, as the law firm had over 240 lawyers in 2022, including 46 partners, and a turnover of over one billion kroner. The absence of connection points between the arbitrator and the client relationship also argued against disqualification - the assignment had no connection to the facts of the arbitration case and was handled by a lawyer in another department. The Court concluded that the lawyer was not disqualified from serving as an arbitrator.

The Supreme Court found it clear that the arbitrator had not fulfilled the disclosure obligation under the Norwegian Arbitration Act, as the client relationship was covered by the orange list in the IBA Guidelines of circumstances that after a specific assessment may lead to disqualification. However, breach of the disclosure obligation did not have decisive significance for the disqualification assessment in this case.

2025 data

Court cases decided

During 2025 there were a total of 34 challenge cases decided in all four countries. This represents a slight increase compared to 2024, during which 32 cases were decided.



Successful cases

Five challenge cases were successful, all in Sweden.

(i) Two awards were set aside because there was no valid arbitration agreement. It is to be noted that these two awards were a separate award and a final award that were rendered in the same arbitration.

(ii) One award was held by the Supreme Court to be partially invalid as being contrary to Swedish *ordre public* due to the prohibition to conduct intra-EU investment arbitration. This award was annulled in its entirety in 2023 by Svea Court of Appeal. The Supreme Court changed the Svea Court of Appeal's judgment so that the award was upheld in relation to a non-EU investor.

(iii) One award was partially set aside because of a procedural irregularity.

(iv) One award was partially set aside because of excess of mandate.

By comparison, in 2023 and 2024, two and eight arbitral awards were respectively successfully challenged, all in Sweden.

[2] Four decided cases were judgments on the merits, two were decisions following withdrawals and one was a court of appeal decision to deny consideration of an appeal of a district court case.

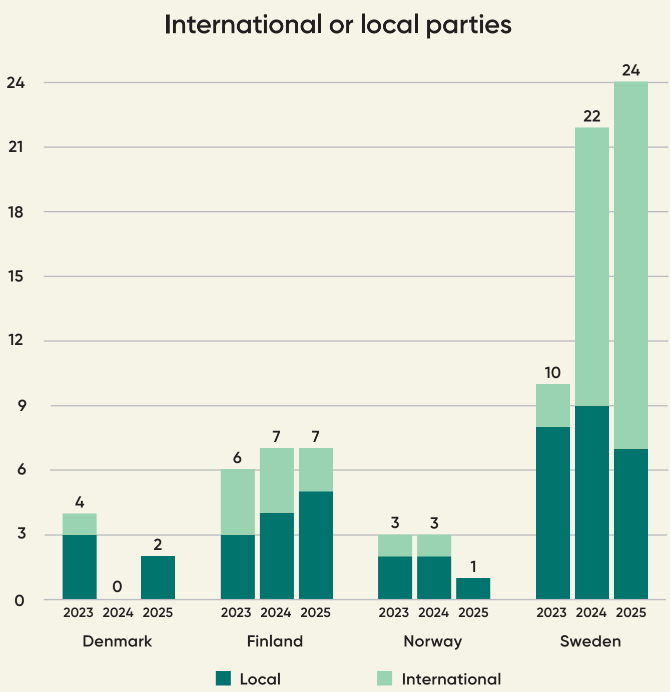
[3] Five decided cases were judgments on the merits, one was a decision following a withdrawal and one was a court of appeal decision to deny consideration of an appeal of a district court case.

Settled cases

Three challenge cases were settled, all in Sweden. This can be compared to 2023 and 2024, during which four and three challenge cases were settled respectively.

International or local parties

Out of the 34 decided cases, 19 were international, with one or both of the parties incorporated abroad, and 15 were local. The proportions of international and local cases are consistent with the numbers from 2024.

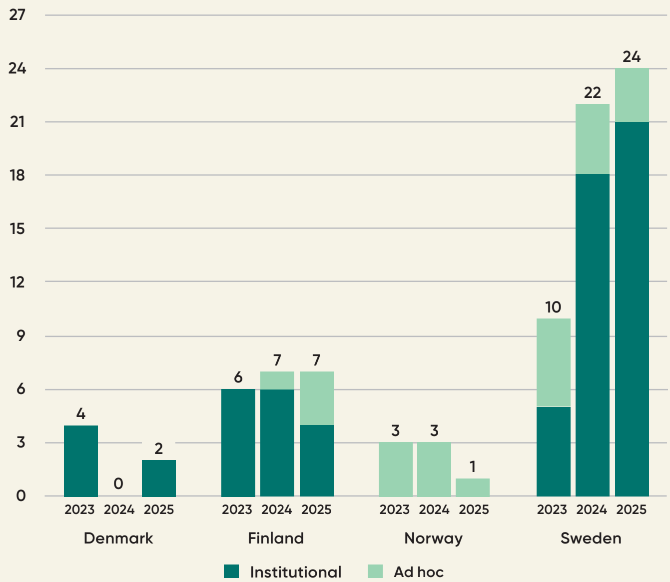


Institutional or ad hoc arbitration

27 cases concerned arbitrations conducted under institutional arbitration rules and 7 cases concerned ad hoc proceedings. Also in 2023 and 2024, the majority of decided cases concerned arbitrations conducted under institutional arbitration rules. Norway stands out with a tradition of ad hoc arbitrations and no institutional cases.

As in 2023 and 2024, an overwhelming majority of the cases under institutional arbitration rules were conducted under the auspices of the local institution.

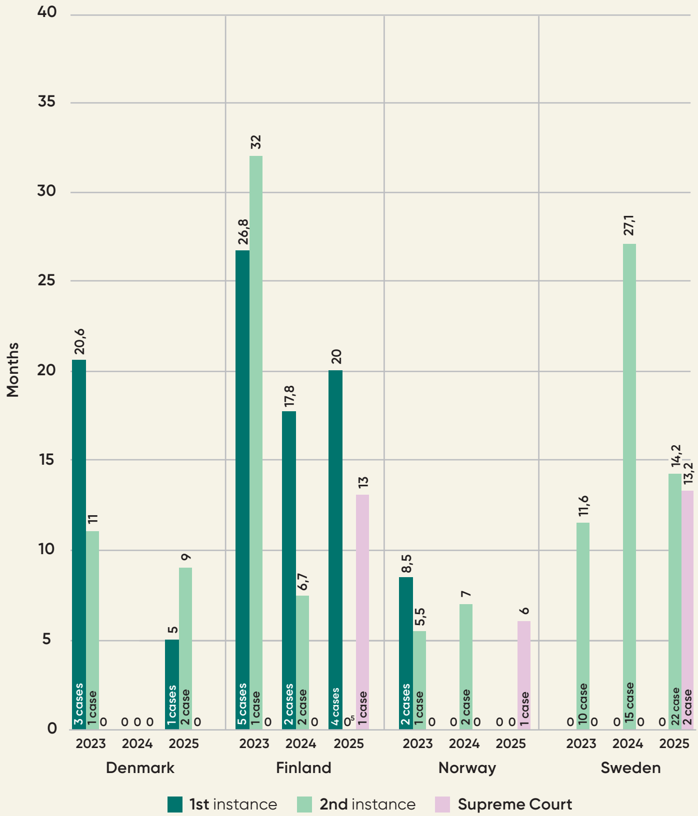
Institutional or ad hoc proceedings



Length of the proceedings[4]

The length of the proceedings is measured from the court's receipt of the application for summons until the date of the judgment.

Average length of proceedings per court instance



[4] Only cases determined on the merits have been included in this data.

[5] Neither of the two cases from the courts of appeal in Finland were decided on the merits.

Legal grounds invoked	Denmark	Finland	Norway	Sweden	Total
Ruling on a non-arbitrable issue	0	0	0	0	**0**
Violation of public policy (*ordre public*)	0	5	0	5	**10**
No valid arbitration agreement	0	0	0	6	**6**
Invalid appointment of arbitrator	0	1	0	0	**1**
Lack of impartiality, independence or legal capacity	1	0	1	0	**2**
Tribunal's excess of mandate	0	6	0	14	**20**
Procedural irregularity & violation of due process	0	5	1	16	**22**
Award is not in writing or is not signed	N/A	0	N/A	0	**0**
Award rendered after agreed deadline	N/A	N/A	N/A	0	**0**
Award obscure or incomplete	N/A	0	N/A	N/A	**0**

Supreme court cases

This year is characterised by a high number of Supreme Court decisions with one decision from the Supreme Court of Finland, one decision from the Supreme Court of Norway, and two decisions from the Supreme Court of Sweden. The Norwegian case has been discussed in more detail at pp. 15-16 above. The remaining Supreme Court cases are discussed below.

Finland:

In the Finnish Supreme Court precedent KKO 2025:76, the precedential issue was whether the statutory three-month time limit to file an action to set aside an award rendered in an SCC arbitration began (a) from the date when the award was uploaded to the SCC Platform or (b) from the date when the party received an originally signed hard-copy of the award by courier.

In the underlying SCC arbitration, the arbitral tribunal had acted in accordance with its procedural order and uploaded a scanned PDF copy of the award to the SCC Platform (an electronic document management system) on the date that it was rendered. Furthermore, as provided in the procedural order, the arbitral tribunal had sent a signed hardcopy original of the award to the parties by courier. On the date of rendering the award, the presiding arbitrator had separately informed the parties by email that the award had been uploaded to the SCC Platform and that hardcopies would be delivered by courier.

The courier deliveries of the originally signed hardcopies of the award were received by the parties three days after the award was rendered.

The Finnish Arbitration Act provides that a party must file an action for setting aside an arbitral award within three months of the date on which the party received "a copy of the award". The claimants filed an action to set aside the award within three months from receiving the originally signed hardcopy of the award by courier. The respondent claimed that the action was time-barred because the three-month time limit to file an action had started when the parties gained access to the scanned PDF copy of the award on the SCC Platform.

The Supreme Court noted that the Finnish Arbitration Act requires that the award is signed by all arbitrators and that a duly signed copy of the award is given or delivered to the parties. The Supreme Court found that a scanned PDF copy of an originally signed award constitutes a reproduction of the award and that receiving such a reproduction through the electronic document management system did not amount to receiving a copy of the award within the meaning of the Finnish Arbitration Act. The claimants were, therefore, deemed to have received a copy of the arbitral award only upon delivery of the originally signed hardcopy. The Supreme Court concluded that the set-aside action had been filed within the statutory three-month time limit, and the case was returned to the Court of Appeal to be examined on the merits.

The Supreme Court expressly noted that it did not take a position on whether the interpretation would be the same if the award had been signed by a reliable electronic signature.

Sweden:

In a first Supreme Court case, the Swedish Supreme Court (SC) has upheld partial validity of an award in a dispute between the Republic of Poland and a Swiss investor (PD) (Case No T 555-24). The dispute concerned claims brought under the Energy Charter Treaty (ECT) by five investors in Poland's energy sector (four EU nationals and PD, a third-country national). By SCC arbitration they claimed compensation from Poland, alleging that its actions had caused their investment to lose all value. Poland challenged the tribunal's jurisdiction and the merits of the claim. A Stockholm-seated tribunal upheld its jurisdiction but dismissed the claims, ordering the claimants to pay Poland's costs. The claimants made a successful request for annulment to the Svea Court of Appeal (CoA), contending that the arbitration violated EU law and Swedish public policy. The award was annulled in its entirety given the arbitration's intra-EU nature.

The SC granted leave to appeal the question of whether the award was invalid insofar as it concerned the relationship between Poland and PD. The SC found that the invalidity ground recognised by the CoA (conflict with EU law) was inapplicable to PD as a Swiss national. Under section 33 of the Swedish Arbitration Act, annulment may be confined to discrete parts of an award where only those parts are:

- Affected by invalidity.
- Distinguishable from the remainder of the claim.

Different parts may be distinguishable even if no division is made in the dispositive part of the award, provided they can be distinguished based on a reading of the award as a whole. If the remaining part would prevent a new arbitration due to res judicata, the parts should not be considered separable. The SC found PD's claims separable from those of the EU investors, given his distinct ownership and individual claim. Upholding the award against PD would not prejudice the other investors in a new arbitration. However, annulment must not exceed what is necessary, and Sweden remains bound under the ECT and New York Convention to recognise and enforce valid awards.

Accordingly, the SC reversed the CoA's ruling in relation to PD and reinstated the award between him and Poland, including the cost order. The SC also held that PD should compensate Poland for its legal costs before the CoA and the SC. The judgment clarifies the conditions for partial annulment under Swedish arbitration law and affirms the distinction between intra-EU and extra-EU disputes for the purposes of Swedish public policy.

In a second Supreme Court case, the SC has unanimously reversed a Svea Court of Appeal (CoA) decision that had partially set aside an arbitral award in favour of the claimant (SEHED) (Case No T 5715-24). A divided CoA found that the portion of the award challenged by SEHED was separable from the remainder and could be annulled. The dissent disagreed, stating that the award's parts were not clearly separable, citing uncertainty about the interrelation of the award's parts and their respective res judicata effects. In the dissent's view, the whole award should be set aside, but this was precluded by SEHED's limited claim for partial annulment (see Legal update, Svea Court of Appeal divided on when an arbitral award may be partially set aside). The respondent appealed. The SC reversed the CoA's decision and upheld the award in full.

The SC emphasised that an award should not be set aside beyond what is strictly necessary and outlined a two-step test for partial annulment. This test requires determining whether any portion of the award is unaffected by the alleged defect and, if so, whether that portion can be meaningfully separated from the rest. Different parts may be separable even if no division has been made in the dispositive part of the award, if they can be separated based on what is apparent from the award as a whole. The assessment should be made considering the significance that a remaining part of the award would have on a party's ability to obtain a new examination of the part that would be set aside. Here, the SC held that partial annulment was not possible because the portion of the award left intact would have created a res judicata barrier to re-examining the claims that had already been dismissed in the arbitration. As SEHED had only requested partial annulment, the SC could not annul the award in full and therefore dismissed the challenge.

The judgment offers valuable guidance on the conditions for partial set-aside under the Swedish Arbitration Act, underscoring that such relief is available only where unaffected portions of an award are truly independent of any portion to be annulled. Parties seeking to challenge an award in Sweden must carefully consider whether an identified flaw truly impacts an isolated portion of the award, or if the issues are so interdependent that any challenge would necessitate setting aside the entire award.[6]

[6] Westerberg regularly publishes case reports and comments on guiding cases from Swedish courts. These are usually published online in Practical Law Review by Thomson Reuters and International Law Office (ILO)/Lexology. Some of the case reports in this section have been published on one of those sites. The case reports published in Practical Law Review by Thomson Reuters have been reproduced from Practical Law with the permission of the publishers. For further information visit www.practicallaw.com.

Conclusions

The number of decided challenge cases increased slightly during 2025, with 34 cases compared to 32 cases in 2024. This increase was primarily driven by Denmark and Sweden, whilst Norway saw a decrease in cases and Finland maintained stable numbers. Notably, Denmark resumed activity with two decisions after recording no challenge cases in 2024.

The number of successful challenges decreased compared to 2024, with five successful cases.

Both cases with international parties and cases with local parties are challenged. In 2025, a slight majority of the decided cases pertained to international arbitration, with 19 international cases compared to 15 local cases. This represents proportions consistent with those observed in 2024.

The local arbitration institutions in Denmark, Finland and Sweden continue to maintain strong positions, with an overwhelming majority of institutional cases conducted under the auspices of the local institution. Norwegian set-aside actions continue to concern primarily ad hoc arbitrations, with no institutional cases recorded.

In a clear majority of the cases, multiple legal grounds were invoked. In this year's survey, procedural irregularity and violation of due process (22 cases) and excess of mandate (20 cases) were the most commonly invoked grounds, which is consistent with the findings in 2024. This year is characterised by an unusually high number of Supreme Court decisions, with four decisions, including one from Finland, one from Norway, and two from Sweden.

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