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The Fragile Anchor: Seat Validity, Transfer Doctrine, and Blockchain Hybridisation in International Arbitration

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Abstract

The arbitral seat has traditionally been regarded as the juridical anchor of international commercial arbitration, determining the applicable *lex arbitri*, identifying the supervisory courts, and shaping the framework for the recognition and enforcement of arbitral awards. However, recent developments in international arbitration have challenged the conventional understanding of the seat. The emergence of doctrines permitting the transfer of the arbitral seat, the revival of delocalisation theory, and the growth of blockchain-based dispute resolution have raised an important but largely overlooked question: can procedural mechanisms relating to the arbitral seat operate independently of the validity of the underlying arbitration agreement? This article addresses that question through a doctrinal analysis of international arbitration instruments, domestic legislation, judicial decisions, arbitral awards, and contemporary academic scholarship. Particular emphasis is placed on the *Heirs to the Sultanate of Sulu v. Malaysia* litigation, the UNCITRAL Model Law, the English Arbitration Act 2025, and recent scholarship concerning blockchain-enabled arbitration.

The article argues that the authority to transfer or substitute the arbitral seat is contingent upon what is termed the Agreement-Validity Hierarchy, under which the existence of a valid arbitration agreement constitutes the foundation of arbitral jurisdiction, while procedural powers relating to the seat operate only after jurisdiction has been validly established. Through an examination of the *Sulu* litigation, the article demonstrates that procedural doctrines, including seat transfer and *forum necessitatis*, cannot create, enlarge, or cure arbitral jurisdiction in the absence of valid arbitral consent. The article further argues that blockchain-based arbitration and hybrid enforcement mechanisms inherit rather than eliminate this jurisdictional limitation. Ultimately, the article concludes that although the arbitral seat remains the organisational anchor of international arbitration, the arbitration agreement remains its constitutive foundation. As procedural innovation continues to reshape international dispute resolution, preserving this distinction will be essential to maintaining the legitimacy and enforceability of arbitral awards.

Keywords: arbitral seat; arbitration agreement; transfer doctrine; *forum necessitatis*; *Heirs to the Sultanate of Sulu v. Malaysia*; blockchain arbitration; delocalisation; international commercial arbitration.

1. Introduction

The arbitral seat has long been recognised as the juridical anchor of international commercial arbitration. Although arbitration proceedings may be conducted in multiple jurisdictions and hearings may occur in locations different from those designated by the parties, the seat remains the legal home of the arbitration rather than merely its physical venue (Born, 2021; Redfern et al., 2023). This distinction is particularly significant because the seat determines the procedural law governing the arbitration (*lex arbitri*), identifies the courts that exercise supervisory jurisdiction, and establishes the legal framework within which arbitral awards are reviewed, challenged, recognised, and enforced.

The concept of the arbitral seat is therefore inseparable from the territorial foundations of international commercial arbitration. The *lex arbitri* governs fundamental procedural matters, including the appointment and removal of arbitrators, judicial intervention, the availability of interim measures, and applications to set aside awards (Born, 2021). Henderson (2014) argues that the legal architecture of arbitration consists of a matrix of interrelated procedural rules derived primarily from the law of the seat, which extends beyond the conduct of hearings and influences every stage of the arbitral process. Similarly, the courts of the seat perform both supportive and

supervisory functions by facilitating arbitral proceedings while simultaneously ensuring procedural regularity and reviewing jurisdictional challenges (Belohlávek, 2015). As Carbone (2012) observes, arbitration cannot exist entirely independently of national courts because judicial oversight remains an integral component of the arbitral system.

The importance of the arbitral seat extends beyond the arbitral proceedings themselves and directly affects the enforceability of arbitral awards. Under the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the New York Convention), an award may be refused recognition if it has been set aside by a competent authority in the jurisdiction where, or under the law of which, the award was rendered. Consequently, the legal framework governing the seat may ultimately determine whether an arbitral award can be enforced internationally (Born, 2021; Redfern et al., 2023). The choice of seat is therefore not simply an administrative decision but a strategic and jurisdictional choice with significant legal consequences.

The centrality of party autonomy in determining the arbitral seat is reflected in Article 20 of the UNCITRAL Model Law on International Commercial Arbitration. Article 20(1) provides that the parties are free to agree upon the place of arbitration, while Article 20(2) authorises the arbitral tribunal to determine the seat in the absence of such an agreement, taking into account the circumstances of the case and the convenience of the parties (UNCITRAL, 2006). The Model Law therefore establishes a balance between party autonomy and procedural flexibility by recognising the tribunal's residual authority to determine the seat when the parties have not done so.

Traditionally, the arbitral seat was regarded as a relatively stable procedural concept. Once selected, the seat generally remained unchanged throughout the proceedings, and the legal consequences flowing from that choice were largely predictable. However, recent developments in international arbitration have challenged this conventional understanding. The increasing prevalence of political instability, armed conflict, judicial interference, and sanctions has generated renewed interest in the possibility of transferring or substituting the arbitral seat when the originally selected jurisdiction becomes unavailable or ineffective (Lew et al., 2003).

At the same time, debates surrounding *forum necessitatis* have raised questions about whether tribunals may depart from the parties' original choice of seat to preserve access to justice in exceptional circumstances (Paulsson, 2013). Similarly, theories of delocalisation have challenged the assumption that arbitration must necessarily remain connected to a particular national legal system. Proponents of transnational arbitration have argued that international arbitration derives its legitimacy from international commercial practice rather than from domestic legal systems and should therefore be understood as an autonomous legal order (Gaillard, 2010). Nevertheless, critics continue to emphasise the enduring importance of the seat, particularly in relation to judicial supervision and the enforcement of arbitral awards (Belohlávek, 2013; Redfern, 2025).

The emergence of blockchain-based arbitration has further complicated these debates. Blockchain arbitration platforms seek to facilitate dispute resolution within decentralised digital environments in which transactions, evidence, and adjudication occur across distributed networks rather than within identifiable territorial jurisdictions. This development raises fundamental questions concerning the continuing relevance of the arbitral seat. If arbitration occurs within a decentralised digital infrastructure, where is the arbitration legally situated? Can an arbitration exist without a clearly identifiable seat? More importantly, can technological innovation fundamentally alter the jurisdictional foundations upon which international arbitration has traditionally depended? Recent scholarship has identified the determination of the arbitral seat as one of the most significant legal challenges facing blockchain arbitration and smart contract disputes (Chevalier, 2021; Santaolalla Montoya, 2025; Hourani & Farah, 2026).

Although existing scholarship has extensively examined transfer doctrine, delocalisation, and blockchain arbitration, these issues have generally been analysed as separate doctrinal developments. Considerable attention has been devoted to the procedural mechanics of seat transfer, the theoretical foundations of transnational arbitration, and the practical challenges associated with decentralised dispute-resolution systems. However, relatively little attention has been paid to the relationship between procedural authority and the prior validity of the arbitration agreement from which that authority derives. This omission is important to consider because

debates concerning the arbitral seat frequently assume the existence of a valid arbitration agreement and proceed directly to questions concerning procedural flexibility. Yet procedural authority itself is not self-generating. The tribunal's power to relocate, substitute, or otherwise modify the procedural framework of arbitration necessarily depends upon the existence of a valid arbitration agreement that establishes arbitral jurisdiction in the first place. The relationship between arbitral consent and procedural authority therefore remains theoretically underdeveloped within the existing literature.

This article addresses the following research question: *Can an arbitral tribunal lawfully transfer or substitute the arbitral seat where the validity of the underlying arbitration agreement is itself in doubt?* In answering this question, the article argues that the authority to transfer or substitute the arbitral seat is contingent upon an Agreement-Validity Hierarchy, in which the existence of a valid arbitration agreement constitutes the constitutive foundation of arbitral jurisdiction, while procedural doctrines operate only after jurisdiction has been validly established. Under this hierarchy, procedural mechanisms such as seat transfer, *forum necessitatis*, delocalisation, and blockchain-enabled arbitration cannot create, enlarge, revive, or cure arbitral jurisdiction where valid consent is absent.

The article develops this argument through a doctrinal analysis of international arbitration instruments, legislation, case law, and contemporary scholarship, with particular emphasis on *Heirs to the Sultanate of Sulu v. Malaysia*. The article contends that *Sulu* should not be understood merely as a dispute concerning the relocation of the arbitral seat. Rather, it demonstrates that the validity of the arbitration agreement necessarily precedes and conditions every procedural consequence associated with the seat. Building upon this analysis, the article proposes a new conceptual framework for understanding the relationship between arbitral consent and procedural authority and applies that framework to emerging forms of blockchain-based arbitration.

In doing so, the article makes three principal contributions. First, it develops the Agreement-Validity Hierarchy as a new conceptual framework for understanding the relationship between arbitral jurisdiction and procedural authority. Second, it offers a reinterpretation of *Heirs to the Sultanate of Sulu v. Malaysia* by shifting the analytical focus from seat transfer to the prior question of arbitral consent. Third, it extends this framework to blockchain arbitration, demonstrating that even the most technologically innovative forms of dispute resolution remain dependent upon the existence of a legally valid arbitration agreement for both jurisdictional legitimacy and the international enforcement of arbitral awards.

2. Literature Review

2.1 The Juridical Architecture of the Arbitral Seat

The arbitral seat has traditionally been regarded as the juridical foundation of international commercial arbitration. Unlike the physical venue in which hearings are conducted, the seat establishes the legal nationality of the arbitration and determines the procedural framework governing the proceedings (Born, 2021). The distinction between seat and venue is therefore fundamental because hearings may be conducted anywhere without altering the arbitration's legal identity.

The legal consequences of selecting a particular seat are extensive. First, the seat determines the applicable *lex arbitri*, namely the procedural law governing the arbitration. The *lex arbitri* regulates matters including the appointment and removal of arbitrators, procedural challenges, interim measures, and the circumstances under which an award may be set aside (Redfern et al., 2023). As Henderson (2014) observes, the arbitral seat creates a complex matrix of legal relationships involving procedural law, substantive law, institutional rules, and judicial supervision.

Second, the seat identifies the courts that exercise supervisory jurisdiction over the arbitral process. These courts possess the authority to intervene in matters such as jurisdictional challenges, arbitrator appointments, procedural irregularities, and applications to annul arbitral awards. Carbone (2012) argues that arbitration cannot operate independently of domestic courts because judicial institutions remain essential to the enforcement of arbitral

agreements and awards. Similarly, Belohlavek (2015) maintains that the seat represents the principal point of interaction between arbitration and national legal systems.

Third, the seat directly influences the recognition and enforcement of arbitral awards under the 1958 New York Convention. Because the Convention distinguishes between domestic and foreign awards according to their legal nationality, the selection of the seat has important consequences for cross-border enforcement (Born, 2021).

The significance of seat selection is reflected in Article 20 of the UNCITRAL Model Law, which provides that parties are free to determine the place of arbitration and, in the absence of agreement, the tribunal may determine the seat after considering the circumstances of the case (UNCITRAL, 2006). This provision embodies the principle of party autonomy while simultaneously recognising the practical necessity of providing a default mechanism for determining the seat.

Recent developments in English arbitration law have further reinforced the importance of the arbitral seat. The Supreme Court's decision in *Enka Insaat Ve Sanayi AS v OOO Insurance Company Chubb* [2020] UKSC 38 established a conflict-of-laws framework for determining the governing law of arbitration agreements. The Court held that where parties had not expressly selected the law governing the arbitration agreement, courts should examine the proper law of the underlying contract and, if necessary, the system of law with the closest connection to the arbitration agreement.

The uncertainty generated by *Enka* contributed to the enactment of Section 6A of the Arbitration Act 2025. The new provision establishes a statutory presumption that the law of the seat governs the arbitration agreement unless the parties expressly agree otherwise. The subsequent decision in *UniCredit Bank GmbH v RusChemAlliance LLC* [2024] UKSC 30 reaffirmed the centrality of the seat by emphasising its importance in determining the parties' intentions regarding the legal framework governing the arbitration agreement.

Empirical evidence also supports the continuing importance of the arbitral seat. The White & Case and Queen Mary University of London International Arbitration Survey consistently identifies London, Singapore, Paris, Geneva, and Hong Kong as the world's most preferred arbitral seats. Survey respondents repeatedly identify judicial support, enforceability, neutrality, and arbitration-friendly legislation as the principal factors influencing their choice of seat. These findings suggest that, despite increasing digitalisation, the legal infrastructure associated with the seat remains a decisive consideration in international arbitration.

2.2 Transfer Doctrine and *Forum Necessitatis*

Although the arbitral seat has traditionally been regarded as a fixed juridical concept, exceptional circumstances occasionally render the originally selected seat unavailable or ineffective. This has prompted scholars to examine whether arbitral tribunals possess the authority to relocate proceedings to an alternative jurisdiction.

Transfer doctrine generally refers to the relocation or substitution of the arbitral seat after arbitration proceedings have commenced. Such relocation may become necessary because of armed conflict, political instability, constitutional change, sanctions, or other circumstances that prevent arbitration from continuing in the originally designated jurisdiction.

One theoretical justification for relocation is the principle of *rebus sic stantibus*, which recognises that fundamental changes in circumstances may justify modifying existing legal arrangements. Article 62 of the Vienna Convention on the Law of Treaties codifies this principle in treaty law by permitting termination or modification when unforeseen changes fundamentally alter the basis upon which the parties originally consented to an agreement.

Although Article 62 applies specifically to treaties rather than arbitration agreements, its underlying rationale has influenced discussions concerning arbitral seat relocation. Pierre Lalive argued that one of arbitration's defining characteristics is its procedural flexibility, which allows tribunals to adapt proceedings to changing circumstances while preserving the parties' underlying agreement.

A related concept is *forum necessitatis*, which permits disputes to be heard in an alternative forum when no other forum is practically available. Traditionally associated with private international law, the doctrine has increasingly been invoked in discussions concerning the relocation of arbitration proceedings. The Institut de Droit International has recognised that exceptional circumstances may occasionally require procedural adaptation to ensure access to justice.

Investment arbitration jurisprudence has also reflected this tendency. In *Pope & Talbot Inc v Canada*, tribunals demonstrated a willingness to modify procedural arrangements when necessary to preserve the effectiveness of arbitration proceedings.

Nevertheless, significant questions remain unresolved. The principal difficulty is whether a tribunal's procedural authority extends to modifying an element as fundamental as the arbitral seat. More importantly, the literature has not adequately examined whether relocation remains possible when the validity of the underlying arbitration agreement itself is uncertain.

2.3 Delocalisation and Transnational Arbitration

The debate surrounding seat transfer reflects a broader theoretical disagreement concerning the nature of arbitration itself. At the centre of this debate lies a fundamental question: does arbitration derive its legitimacy from national legal systems or from a transnational legal order?

The territorial approach maintains that arbitration remains inseparable from the state. F. A. Mann famously argued that every arbitration must be anchored within a specific legal system because arbitral authority ultimately derives from national law. Under this approach, arbitration agreements, procedural rules, and arbitral awards obtain their legal effect through domestic legislation and judicial recognition.

In contrast, proponents of delocalisation argue that arbitration should be understood as an autonomous transnational system. Lew et al. (2003) contend that modern arbitration increasingly transcends territorial boundaries and derives its legitimacy primarily from party autonomy. Similarly, Gaillard (2010) conceptualises arbitration as an autonomous legal order existing independently of individual states.

Paulsson (2013) extends this argument further by suggesting that arbitration derives its legitimacy from an international legal consensus rather than from any single domestic jurisdiction. According to this perspective, the seat functions primarily as a procedural convenience rather than as the source of arbitral authority.

However, critics argue that delocalisation overstates arbitration's independence from national legal systems. Belohlavek (2013) describes complete delocalisation as an outdated myth because the enforcement of arbitral awards ultimately depends upon domestic courts. Judicial review, annulment proceedings, and enforcement mechanisms continue to operate through state institutions, thereby preserving the importance of the seat.

The continuing disagreement between territorial and delocalised theories demonstrates that the relationship between arbitral jurisdiction and the state remains unresolved. While procedural innovations may reduce the practical significance of geography, they do not necessarily eliminate the legal consequences associated with the arbitral seat.

2.4 Blockchain Arbitration and Hybrid Enforcement

The emergence of blockchain technology has introduced new challenges to traditional understandings of the arbitral seat. Smart contracts operating on distributed ledger systems increasingly require specialised dispute-resolution mechanisms capable of functioning within decentralised digital environments.

Blockchain arbitration seeks to provide such mechanisms by combining conventional arbitration with distributed ledger technology. These systems frequently employ decentralised decision-making, automated enforcement, and digitally native procedural rules.

The principal challenge arises from the decentralised nature of blockchain technology itself. Traditional arbitration assumes the existence of a legally identifiable seat. Blockchain systems, by contrast, distribute data across multiple jurisdictions simultaneously, making it difficult to identify a single territorial connection.

Michaelson and Jeskie (2019) argue that the absence of a clearly identifiable seat represents one of the most significant obstacles to blockchain arbitration. Similarly, Chevalier (2021) suggests that blockchain arbitration may eventually develop into a separate decentralised arbitral order operating independently of conventional territorial constraints.

A further distinction exists between on-chain and off-chain enforcement. On-chain enforcement relies upon automated execution through smart contracts and distributed ledger technology. Off-chain enforcement, however, requires recognition by domestic courts under existing arbitration legislation and the New York Convention.

Recent scholarship has increasingly recognised that blockchain arbitration cannot entirely avoid questions concerning the seat. Santaolalla Montoya (2025) identifies the determination of the seat as one of the central challenges facing blockchain arbitration from a private international law perspective. Hochgürtel (2026) similarly recommends that blockchain arbitration platforms adopt default seat provisions to facilitate enforcement.

The literature therefore suggests that blockchain technology may alter the procedural mechanics of arbitration without necessarily eliminating the need for a legally recognised arbitral seat.

2.5 *Heirs to the Sultanate of Sulu v Malaysia* in the Literature

The dispute in *Heirs to the Sultanate of Sulu v Malaysia* has generated substantial academic commentary because it raises questions concerning sovereignty, judicial intervention, enforcement, and the transfer of the arbitral seat.

Early analyses by Ong et al. (2022) focused primarily on the historical and political dimensions of the dispute, particularly the interpretation of the 1878 agreement between the Sultanate of Sulu and representatives of the British North Borneo Company. Shaw and Boza (2022) subsequently examined the implications of the dispute for state immunity and sovereign liability.

More recent scholarship has concentrated on the procedural dimensions of the case. Wagner (2025) analyses the French judicial decisions concerning the relocation of the arbitral seat from Madrid to Paris and argues that the case demonstrates the continuing importance of judicial supervision in international arbitration. Similarly, Nataf (2025) examines the interaction between national courts and arbitral tribunals during the annulment proceedings.

Most commentators interpret *Sulu* as a dispute concerning sovereignty, enforcement, judicial intervention, or the legality of seat transfer. Comparatively little attention has been devoted to the more fundamental jurisdictional question underlying the litigation: whether an arbitral tribunal can exercise procedural authority when the underlying arbitration agreement itself is no longer legally operative.

This omission is particularly significant because the French courts ultimately focused less on the procedural validity of the transfer itself and more on the legal foundation supporting the tribunal's jurisdiction.

2.6 Identifying the Literature Gap

The literature on international arbitration has developed along three largely independent lines. One body of scholarship examines transfer doctrine and *forum necessitatis*. A second explores delocalisation and transnational arbitration theory. A third investigates blockchain arbitration and decentralised enforcement mechanisms.

Despite their doctrinal differences, all three approaches confront the same underlying question: what happens when the validity or continued existence of the arbitration agreement itself is uncertain?

Existing scholarship has not adequately examined the relationship between arbitral jurisdiction and procedural authority. More specifically, the literature has failed to develop a theoretical framework explaining whether procedural doctrines such as seat transfer, delocalisation, or blockchain-based arbitration can operate independently of a valid arbitration agreement.

This article addresses that gap by proposing an Agreement–Validity Hierarchy that distinguishes between constitutive rules, which establish arbitral jurisdiction through a valid arbitration agreement, and procedural rules, which regulate the exercise of jurisdiction after jurisdiction has been validly conferred. This framework provides a unified explanation for developments that have traditionally been examined as separate doctrinal phenomena and offers a new interpretation of *Heirs to the Sultanate of Sulu v Malaysia*.

3. Methodology

3.1 Research Design

This study adopts a doctrinal legal research design, which is the traditional and most widely used methodology in legal scholarship. Doctrinal research is concerned with identifying, analysing, interpreting, and systematising legal principles derived from authoritative legal sources, including legislation, treaties, judicial decisions, and arbitral awards (Hutchinson and Duncan, 2012). Rather than collecting empirical data, doctrinal research seeks to determine what the law is, how legal rules interact, and how apparently inconsistent legal principles can be reconciled within a coherent analytical framework (Chynoweth, 2008).

Several scholars have described doctrinal research as a systematic process of locating, organising, and synthesising legal authorities to construct a reasoned interpretation of the law (Pradeep, 2019; Majeed, Hilal and Khan, 2023). The methodology is particularly appropriate in fields such as international commercial arbitration, where legal rules are dispersed across multiple jurisdictions, treaties, institutional rules, and judicial systems. As Strong (2009) argues, arbitration research requires specialised methodological approaches because the legal framework governing arbitration extends beyond domestic legislation and incorporates international conventions, transnational principles, arbitral practice, and comparative jurisprudence.

The present study employs a qualitative doctrinal approach to examine the legal consequences arising from the invalidation of an arbitration agreement after proceedings have already commenced. The research focuses on the relationship between the arbitral seat, judicial supervision, the transfer of arbitral proceedings, theories of delocalisation, and emerging forms of technology-assisted dispute resolution. By using doctrinal analysis, the study aims to identify whether existing legal doctrines provide an adequate framework for addressing situations in which the foundational arbitration agreement subsequently becomes unenforceable.

The research design is also informed by contemporary scholarship recognising that doctrinal analysis in international arbitration often requires engagement with comparative and transnational legal materials rather than the exclusive examination of a single domestic legal system (Karton, 2020; Theil, 2025). Consequently, this study combines traditional doctrinal methods with comparative and conceptual analytical techniques to evaluate the competing theories underlying international arbitration.

3.2 Sources

The study relies on both primary and secondary legal sources.

Primary sources include domestic legislation, international treaties, judicial decisions, arbitral awards, and institutional arbitration rules. Particular emphasis is placed on the Arbitration Act 2025 (UK), especially section 6A, the UNCITRAL Model Law on International Commercial Arbitration, the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and the Vienna Convention on the Law of Treaties, particularly Article 62 concerning fundamental changes of circumstances.

Judicial decisions constitute another important category of primary sources. The analysis focuses on decisions that have significantly influenced the development of the law relating to arbitral seats and arbitration agreements, including *Enka Insaat ve Sanayi AS v OOO Insurance Company Chubb*, *UniCredit Bank GmbH v RusChemAlliance LLC*, and the judicial decisions arising from the *Sulu* arbitration. Arbitral awards, including *Pope & Talbot*, are also examined to understand how tribunals have approached questions relating to jurisdiction, procedural flexibility, and changing circumstances.

Secondary sources include academic books, journal articles, monographs, institutional reports, and professional surveys. Foundational arbitration texts such as Born's *International Commercial Arbitration*, Redfern and Hunter's *Law and Practice of International Commercial Arbitration*, and Gaillard's *Legal Theory of International Arbitration* provide the theoretical framework for the study. Journal articles addressing arbitral seat theory, delocalisation, blockchain arbitration, and forum necessitatis are used to identify competing interpretations within the existing literature. In addition, practitioner publications, including the White & Case and Queen Mary University of London International Arbitration Survey, are used to provide insight into contemporary arbitral practice.

3.3 Method of Analysis

The study employs doctrinal, comparative, and conceptual methods of analysis. The primary method is doctrinal analysis, which involves identifying and interpreting legal principles contained in legislation, treaties, judicial decisions, and arbitral awards. Following the approach described by Hutchinson and Duncan (2012), doctrinal analysis is used to examine the internal coherence of legal rules and to identify doctrinal inconsistencies within existing arbitration law.

The research also uses comparative analysis because international arbitration operates within multiple legal systems simultaneously. Comparative legal analysis allows the study to examine how different jurisdictions approach questions relating to arbitral seats, the law governing arbitration agreements, judicial supervision, and the transfer of arbitral proceedings. Karton (2020) argues that comparative methods are particularly important in arbitration because arbitration itself functions as a form of comparative law in practice, requiring arbitrators and courts to reconcile legal principles originating from different jurisdictions.

Finally, the study adopts conceptual analysis to evaluate the theoretical foundations of competing arbitration doctrines. In particular, it examines the tension between territorial and delocalised theories of arbitration and considers whether the legitimacy of arbitration derives from state authority or from a transnational legal order. Conceptual analysis is also used to explore whether technological developments, including blockchain-based arbitration and decentralised dispute resolution, challenge traditional assumptions regarding jurisdiction, enforcement, and arbitral legitimacy.

By integrating these three analytical approaches, the study seeks not only to describe the existing legal framework but also to evaluate whether that framework remains conceptually adequate in situations involving the invalidation of arbitration agreements.

3.4 Scope and Limitations

The scope of this research is limited to international commercial arbitration. Domestic arbitration systems are considered only where they provide relevant comparative insights into the questions under examination.

The study does not attempt to provide a comprehensive analysis of all aspects of blockchain-based dispute resolution. Instead, blockchain arbitration is examined only to the extent that it illustrates broader questions concerning jurisdiction, enforcement, and the relationship between arbitration and territorial legal systems. Similarly, the research does not attempt an exhaustive examination of all doctrines relating to arbitral jurisdiction or the validity of arbitration agreements. Instead, it focuses specifically on the legal consequences that arise when an arbitration agreement is challenged or invalidated after proceedings have already commenced.

The *Sulu* arbitration is used as a case study because it illustrates the interaction between several doctrines that are often examined separately within the literature, including seat transfer, judicial intervention, sovereign immunity, delocalisation, and the enforcement of arbitral awards. Although a single case study inevitably limits the generalisability of the findings, the exceptional factual and procedural circumstances of the *Sulu* dispute provide a valuable opportunity to examine how existing legal doctrines respond when the legal foundation of arbitration itself becomes uncertain. The study therefore does not seek to resolve all questions relating to arbitral legitimacy. Rather, it aims to identify a specific doctrinal gap within contemporary arbitration scholarship and to evaluate whether existing legal theories provide a satisfactory answer to that problem.

4. Discussion and Analysis

4.1 *Heirs to the Sultanate of Sulu v Malaysia*: Reconsidering Procedural Authority

The dispute in *Heirs to the Sultanate of Sulu v Malaysia* arose from an 1878 agreement between the Sultan of Sulu and representatives of the British North Borneo Company. Following the formation of Malaysia and the incorporation of Sabah into the Malaysian federation, a group of descendants claiming to be heirs of the Sultan of Sulu argued that Malaysia had inherited the financial obligations arising from the original agreement. After Malaysia discontinued annual payments in 2013, the claimants-initiated arbitration proceedings on the basis of the arbitration clause contained in the 1878 instrument.

The arbitration was initially commenced in Spain because the arbitrator interpreted the agreement as conferring jurisdiction on Spanish courts in Madrid. However, the procedural framework quickly became complicated when Malaysian courts challenged the arbitrator's appointment and Spanish courts subsequently annulled the appointment order. Rather than terminating the proceedings, the arbitrator decided to relocate the arbitration from Madrid to Paris, arguing that exceptional circumstances made the continuation of the proceedings in Spain impossible.

The transfer of the proceedings from Spain to France became one of the most controversial aspects of the dispute. The arbitrator relied on the doctrine of necessity and argued that relocation was required to preserve the parties' access to arbitration. The proceedings continued in Paris, ultimately resulting in an award exceeding US$14 billion against Malaysia.

Subsequent enforcement proceedings in France fundamentally altered the legal landscape of the dispute. The Paris Court of Appeal suspended enforcement of the award, and French courts later set it aside. Importantly, the French decisions did not establish a general prohibition on transferring the arbitral seat. Rather, the courts concluded that the arbitration agreement itself was invalid and incapable of creating arbitral jurisdiction.

This distinction is crucial. Much of the commentary surrounding *Sulu* has focused on whether an arbitrator possesses the authority to transfer the seat of arbitration from one jurisdiction to another. However, the French courts treated the relocation question as secondary. The decisive issue was whether the 1878 agreement constituted a legally enforceable arbitration agreement capable of binding the Malaysian state. The case therefore demonstrates that procedural powers, including the power to relocate proceedings, are necessarily subordinate to the existence of a valid arbitration agreement. Without valid consent, the tribunal lacks jurisdiction from the outset, rendering any subsequent procedural decisions legally irrelevant.

The significance of *Sulu* therefore extends beyond the immediate controversy surrounding seat transfer. The case exposes a more fundamental conceptual problem in international arbitration: the relationship between procedural authority and arbitral jurisdiction. Existing scholarship frequently assumes that doctrines such as seat transfer, procedural adaptation and emergency relocation concern only procedural matters. *Sulu* demonstrates that these doctrines cannot operate independently of the underlying agreement that establishes the tribunal's authority in the first place. Accordingly, the case requires a reconsideration of the relationship between consent, jurisdiction and procedural discretion within international commercial arbitration.

4.2 The Agreement–Validity Hierarchy

The principal argument advanced in this article is that international arbitration operates according to an agreement–validity hierarchy. Existing literature generally treats questions concerning the arbitral seat, tribunal relocation, forum necessitatis and technological innovation as procedural matters. However, these procedural mechanisms presuppose the prior existence of a valid arbitration agreement. This study proposes a hierarchical model that distinguishes between two analytically distinct dimensions of arbitration: the constitutive dimension and the procedural dimension.

The constitutive dimension concerns the legal foundation of arbitration. A valid arbitration agreement creates consent, establishes the parties' relationship and confers jurisdiction upon the arbitral tribunal. Without a valid

agreement, the tribunal possesses no authority to adjudicate the dispute. The procedural dimension concerns the exercise of authority that already exists. Once jurisdiction has been established, the tribunal may determine procedural matters, including the selection of the seat, the relocation of proceedings, procedural adaptations in response to exceptional circumstances and the incorporation of technological innovations such as blockchain-based enforcement mechanisms. This model demonstrates that procedural authority is derivative rather than autonomous. The arbitral seat does not create jurisdiction. Forum necessitatis does not create jurisdiction. Blockchain enforcement does not create jurisdiction. All three merely regulate the exercise of authority that already exists.

This distinction also clarifies the long-standing debate between territorial and delocalised theories of arbitration. Even scholars who advocate delocalisation continue to recognise the centrality of consent. Although arbitration may operate within a transnational legal order, it nevertheless derives its jurisdictional foundation from the parties' agreement. The *Sulu* dispute therefore provides an important theoretical insight. The invalidity of the arbitration agreement interrupted the constitutive dimension before the procedural dimension could become legally relevant. Consequently, every subsequent procedural development, including the transfer of the proceedings to Paris, became incapable of preserving the award. The agreement–validity hierarchy therefore offers a conceptual framework capable of integrating previously disconnected areas of arbitration scholarship within a single analytical model

4.3 Implications for Transfer Doctrine

The first implication of the agreement–validity hierarchy concerns the limits of transfer doctrine. Existing scholarship generally assumes that tribunals possess some degree of flexibility to relocate proceedings when exceptional circumstances prevent arbitration from continuing in the original seat. Examples include political instability, war, judicial interference and the collapse of legal institutions. In such situations, transferring the seat may be necessary to preserve access to justice and maintain the efficiency of the arbitral process.

However, *Sulu* demonstrates that transfer doctrine cannot remedy defects in jurisdiction. The relocation of proceedings can preserve an existing arbitral process, but it cannot create an arbitral process that never legally existed. This conclusion also limits the application of forum necessitatis. Traditionally, forum necessitatis permits a tribunal or court to assume jurisdiction when no alternative forum is reasonably available. In arbitration, the doctrine has been invoked to justify procedural adaptations in extraordinary circumstances.

Nevertheless, forum necessitatis cannot substitute for consent. Arbitration remains fundamentally consensual, and the absence of a valid arbitration agreement prevents the exercise of arbitral authority regardless of the practical necessity of resolving the dispute. The implications for *Sulu* are therefore significant. The case suggests that the debate surrounding seat relocation has been framed incorrectly. The question is not whether an arbitrator can transfer proceedings from one jurisdiction to another. Instead, the relevant question is whether the tribunal possessed jurisdiction before the transfer occurred.

This distinction fundamentally changes how seat relocation should be understood. Transfer should no longer be viewed as an exceptional mechanism capable of preserving arbitration under all circumstances. Instead, it should be understood as a procedural doctrine that operates only after jurisdiction has already been established. Consequently, future tribunals confronted with political crises, armed conflicts or judicial obstruction must first determine whether a valid arbitration agreement exists before considering whether relocation is legally permissible.

4.4 Implications for Contractual Drafting

The findings of this study have important practical implications for the drafting of arbitration agreements. Parties increasingly conduct transactions across multiple jurisdictions and frequently face risks associated with political instability, sanctions, armed conflict and technological disruption. Traditional arbitration clauses rarely address the possibility that the chosen seat may become unavailable during the proceedings. One possible solution is the incorporation of an express seat-transfer clause.

Model clause: Any transfer of the arbitral seat shall affect only the procedural location of the arbitration and shall neither create, enlarge, nor cure the parties' consent to arbitrate.

Such a clause would clarify that relocation affects only procedural administration and does not alter the jurisdictional basis of the arbitration. The clause would also reduce uncertainty regarding the relationship between the original seat and any subsequently selected forum. Parties should also consider incorporating force majeure provisions that specifically address the continuity of arbitral proceedings. Although force majeure clauses traditionally govern contractual performance, they may also provide mechanisms for preserving dispute-resolution procedures during periods of political instability, armed conflict or judicial disruption.

Similarly, governing law clauses should be drafted with greater precision. Uncertainty regarding the applicable law governing the arbitration agreement contributed significantly to the jurisdictional controversy in *Sulu*. Explicitly identifying the law applicable to the arbitration agreement may reduce the risk of conflicting judicial interpretations. Careful drafting is particularly important in the context of technological innovation. Blockchain-based arbitration systems frequently separate procedural administration from enforcement mechanisms. As smart contracts and decentralised dispute-resolution platforms become increasingly common, arbitration agreements must clearly distinguish between procedural innovation and jurisdictional authority.

Ultimately, *Sulu* demonstrates that procedural flexibility cannot compensate for defective drafting. Consent remains the foundation of arbitration, and no procedural mechanism can cure the absence of a valid arbitration agreement. The practical lesson for parties, arbitral institutions and practitioners is therefore straightforward: arbitration agreements should expressly distinguish between jurisdictional matters and procedural matters, particularly when providing for seat relocation, emergency procedural adaptation and hybrid forms of enforcement. By doing so, parties can preserve procedural flexibility without undermining the consensual foundations upon which international arbitration depends.

5. Blockchain Delocalisation and Legitimation Debt

The emergence of blockchain technology has generated renewed interest in one of the oldest debates in international arbitration: whether arbitral authority is fundamentally territorial or whether it can operate independently of state legal systems. Classical theories of delocalisation argued that international arbitration should be understood as an autonomous legal order deriving its legitimacy from the transnational nature of commercial relations rather than from any particular state. Blockchain arbitration appears to transform this theoretical proposition into a practical reality by removing many of the geographical, institutional, and procedural constraints traditionally associated with arbitration.

Blockchain-based dispute resolution systems rely on distributed networks, smart contracts, automated enforcement mechanisms, and decentralized decision-making processes. In theory, these systems allow parties to resolve disputes without requiring a physical hearing, a fixed arbitral seat, or even a conventional arbitral institution. Proponents argue that blockchain arbitration offers a faster, more efficient, and more accessible alternative to traditional arbitration. However, the technological decentralisation of arbitration raises an important legal question. If arbitral proceedings can occur entirely within a distributed digital environment, what becomes of the legal foundations that have historically legitimised arbitral authority? This question becomes particularly significant in light of the *Heirs to the Sultanate of Sulu v. Malaysia* litigation discussed in the previous chapter. *Sulu* demonstrates that procedural innovation cannot compensate for the absence of a valid arbitration agreement. This principle applies equally to blockchain arbitration.

This section argues that blockchain arbitration inherits the same agreement-validity problem identified in *Sulu*. Although blockchain technology may successfully decentralise procedural aspects of arbitration, it cannot independently create legal legitimacy. Consequently, blockchain-generated outcomes remain legally incomplete until they are incorporated into a conventional arbitral framework supported by a valid arbitration agreement. This unresolved dependence on traditional legal structures is conceptualised here as legitimation debt.

5.1 Delocalisation Revisited

The theory of delocalisation emerged as a response to the traditional territorial understanding of arbitration. Under the territorial approach, arbitration derives its authority from the legal system of the state in which the arbitral seat is located. The arbitral tribunal exercises powers delegated by the *lex arbitri*, while domestic courts retain supervisory authority over the proceedings. F. A. Mann remains the most influential advocate of this territorial model. His famous proposition, *lex facit arbitrum* ("the law creates the arbitrator"), suggests that arbitration cannot exist independently of national legal systems because every arbitral proceeding must ultimately be connected to a specific legal order (Mann, 1967). According to this view, the seat of arbitration is not merely a procedural convenience but the legal source of arbitral authority.

In contrast, delocalisation theorists have argued that international arbitration should be understood as a transnational process that operates independently of any single state's legal system. Julian Lew challenged the assumption that arbitration must always be anchored in the law of the seat, arguing that international commercial arbitration increasingly functions as an autonomous dispute-resolution mechanism governed by international commercial practice rather than domestic procedural rules (Lew, 1978).

Paulsson, 1983 further developed this argument by suggesting that the legal significance of the arbitral seat should be reduced in international disputes. Paulsson argued that excessive dependence on domestic legal systems undermines the international character of arbitration and unnecessarily subjects arbitral proceedings to judicial interference. Gaillard, 2010 advanced perhaps the most comprehensive defence of the transnational approach. In *Legal Theory of International Arbitration*, Gaillard argued that international arbitration constitutes an autonomous legal order with its own principles, norms, and sources of legitimacy. Rather than viewing arbitration through the lens of domestic conflict-of-law rules, he proposed that arbitral authority should be understood as deriving from a genuinely transnational legal system Blockchain arbitration appears to represent the practical implementation of these theoretical developments. Chevalier (2021) argues that blockchain technology is facilitating the emergence of a new "blockchain arbitral order" that operates independently of conventional legal institutions. Similarly, Ortolani (2019) describes blockchain-based adjudication as perhaps the most advanced practical manifestation of delocalised arbitration.

The attraction of blockchain arbitration lies in its ability to eliminate many traditional procedural constraints. Smart contracts can automatically initiate proceedings. Blockchain protocols can facilitate the appointment of arbitrators. Digital platforms can conduct proceedings entirely online. Some systems can even execute decisions automatically through self-executing code. However, the apparent success of procedural decentralisation should not be confused with legal autonomy. The distinction between procedural innovation and legal legitimacy remains central to understanding the limitations of blockchain arbitration.

5.2 The New York Convention and Enforcement

The New York Convention remains the cornerstone of international arbitration. Despite the emergence of blockchain-based dispute-resolution systems, the Convention continues to provide the principal legal framework governing the recognition and enforcement of arbitral awards. Article II of the Convention requires contracting states to recognise written arbitration agreements through which parties undertake to submit disputes to arbitration. The existence of a valid arbitration agreement is therefore a prerequisite for the operation of the Convention.

Similarly, Article V establishes several grounds upon which recognition and enforcement may be refused. Article V(1)(b), in particular, permits courts to deny enforcement when a party was not given proper notice or was otherwise unable to present its case. Due process therefore remains an essential component of enforceable arbitration. These provisions create significant challenges for blockchain arbitration.

Blockchain systems may successfully automate dispute resolution, but they cannot avoid the Convention's requirement that arbitral authority must be founded upon consent. Smart contracts may execute transactions automatically, but they cannot automatically establish legally valid arbitration agreements. Bassiri and Panjwani

(2021) distinguish between physical delocalisation and legal delocalisation, arguing that online and blockchain-based proceedings should not be interpreted as evidence that arbitration has become independent of national legal systems. They argue that digitalisation merely changes the procedural environment in which arbitration occurs. It does not eliminate the legal requirements governing recognition and enforcement.

Recent scholarship increasingly supports this position. Shehryar and Anwar (2025) argue that the integration of blockchain technology into arbitration creates a fundamental tension between decentralized procedural mechanisms and the centralized enforcement structure established by the New York Convention. Similarly, Santaolalla Montoya (2025) identifies significant private international law challenges arising from blockchain arbitration, including uncertainty regarding jurisdiction, applicable law, seat determination, and the enforceability of awards.

The practical consequence is that blockchain awards continue to require judicial recognition. National courts remain responsible for determining whether the parties validly consented to arbitration, whether procedural guarantees were respected, and whether the award satisfies the requirements of the Convention. Blockchain arbitration therefore remains dependent upon the same enforcement framework that governs conventional arbitration.

5.3 Hybrid Arbitration Models

The limitations of purely decentralized arbitration have encouraged the development of hybrid models that combine blockchain technology with traditional legal mechanisms. One of the most significant examples is the Decentralized Arbitration and Mediation Network (DAMN). Rather than attempting to replace conventional arbitration entirely, DAMN integrates blockchain technology into existing arbitral structures. Blockchain protocols are used to manage procedural processes, while traditional legal mechanisms remain responsible for ensuring the enforceability of arbitral outcomes.

This hybrid approach reflects an important practical reality. Although blockchain technology can improve procedural efficiency, it cannot independently satisfy the legal requirements associated with jurisdiction, due process, and enforcement. The Mexican blockchain arbitration decision provides another example of this evolving relationship between technology and conventional arbitration. Although the case demonstrated the practical feasibility of blockchain-based dispute resolution, it also illustrated the continuing importance of judicial recognition and state-based enforcement mechanisms.

Hybrid models therefore represent an implicit acknowledgment that technological decentralisation alone is insufficient. Rather than eliminating the role of state legal systems, these approaches incorporate blockchain technology into existing legal frameworks.This development is particularly significant because it undermines the strongest version of the delocalisation thesis. If blockchain arbitration truly constituted an autonomous legal order, there would be no need to reconnect blockchain-generated decisions to traditional judicial institutions. The emergence of hybrid models suggests precisely the opposite. The legal system continues to function as the final source of arbitral legitimacy.

5.4 Blockchain Inherits the Agreement-Validity Problem

This article introduces the concept of legitimation debt to explain the unresolved tension between technological decentralisation and legal legitimacy in blockchain arbitration. Legitimation debt refers to the gap between the technological production of a dispute-resolution outcome and its legal recognition within the international arbitration framework. Blockchain systems can generate procedural outcomes, but they cannot independently generate legal authority.

The literature repeatedly identifies the same unresolved problem. Chevalier (2021) acknowledges that blockchain arbitration aspires to establish an independent arbitral order. Ortolani (2019) identifies blockchain adjudication as a practical expression of delocalisation. McCarthy (2025) highlights unresolved questions concerning seat selection, arbitration agreements, and applicable law. Kumtepe (2024) identifies due process and agreement validity as continuing challenges. Santaolalla Montoya (2025) reaches similar conclusions from the perspective

of private international law. Collectively, these scholars recognise that blockchain arbitration remains dependent upon traditional legal concepts even while attempting to move beyond them.

The agreement-validity hierarchy developed in Chapter 4 provides a useful framework for understanding this dependency. The hierarchy distinguishes between two separate dimensions of arbitral authority. The first is the constitutive dimension, which establishes jurisdiction through a valid arbitration agreement. The second is the procedural dimension, which governs the exercise of that jurisdiction through mechanisms such as seat selection, seat transfer, forum necessitatis, procedural adaptation, and blockchain implementation.

Blockchain arbitration disrupts this hierarchy by prioritising procedural innovation over constitutive legitimacy. Instead of beginning with a valid arbitration agreement and then designing procedural mechanisms to implement it, blockchain systems often assume that procedural automation can itself generate legal authority. The *Sulu* litigation demonstrates why this assumption is problematic. The French courts did not invalidate the award because the proceedings were transferred from Madrid to Paris. The award was annulled because the arbitration agreement itself was invalid. The procedural relocation of the proceedings was therefore legally irrelevant because the tribunal lacked jurisdiction from the outset.

Blockchain arbitration encounters precisely the same difficulty.

A smart contract may automatically trigger arbitral proceedings. A decentralized platform may appoint arbitrators. A blockchain protocol may even execute a decision automatically through self-enforcing code. However, none of these procedural innovations can create consent where consent does not already exist.

Blockchain arbitration therefore inherits rather than resolves the agreement-validity problem identified in *Sulu*. Jurisdiction continues to depend upon a valid arbitration agreement, while enforcement continues to depend upon judicial recognition under the New York Convention. Consequently, blockchain-generated outcomes remain legally incomplete until they are incorporated into a conventional arbitral process supported by a valid arbitration agreement. This unresolved dependence on traditional legal structures constitutes legitimation debt. The implications extend beyond blockchain technology. They challenge the broader assumption that procedural innovation can replace the legal foundations of arbitration. Whether the procedural mechanism involves seat transfer, emergency relocation, online proceedings, or blockchain implementation, the same principle applies. Arbitration derives its legitimacy from consent. Procedural mechanisms can facilitate the exercise of arbitral authority, but they cannot create it. The future development of blockchain arbitration should therefore focus less on technological innovation and more on the continuing relationship between procedural decentralisation and legal legitimacy. Until that relationship is resolved, blockchain arbitration will remain dependent upon the very legal structures that delocalisation theory sought to transcend.

6. Conclusion

This article set out to answer a fundamental question in international commercial arbitration: when the arbitral seat becomes unavailable or is transferred, what happens to the tribunal's authority to continue the proceedings? This question was examined through the lens of *Heirs to the Sultanate of Sulu v. Malaysia*, a dispute that has generated significant debate regarding the relationship between arbitral jurisdiction, procedural flexibility, judicial intervention, and the continued relevance of the arbitral seat. Although the case has often been interpreted as a dispute concerning seat transfer, this article has argued that such an interpretation misunderstands the legal significance of the French courts' decisions.

The central finding of this study is that the *Sulu* award was not annulled because the proceedings were transferred from Madrid to Paris. The French courts did not reject the possibility of procedural relocation. Instead, they concluded that the arbitration agreement itself was invalid. The invalidity of the arbitration agreement deprived the tribunal of jurisdiction, rendering subsequent procedural developments legally irrelevant. This conclusion required a re-examination of the juridical architecture of the arbitral seat. The traditional territorial model, represented by scholars such as F. A. Mann, treats the seat as the legal source of arbitral authority because arbitration is understood as a process operating under the supervision of the *lex arbitri*. In contrast, proponents of

delocalisation, including Lew, Paulsson, and Gaillard, argue that international arbitration derives its legitimacy from a transnational legal order rather than from any particular state.

This article has demonstrated that neither position fully explains the legal implications of *Sulu*. The territorial approach overstates the significance of the seat by treating it as the primary source of arbitral authority. At the same time, strong versions of the delocalisation thesis underestimate the continuing importance of legal consent by suggesting that arbitration can operate independently of state-based legal structures. To address this theoretical gap, this article developed the concept of the agreement-validity hierarchy. This framework distinguishes between two dimensions of arbitral authority: the constitutive dimension, which creates jurisdiction through a valid arbitration agreement, and the procedural dimension, which governs the exercise of that jurisdiction through procedural mechanisms such as seat selection, seat transfer, *forum necessitatis*, procedural adaptation, and blockchain implementation.

The hierarchy establishes an important principle. Procedural mechanisms can only operate after jurisdiction has been validly established. Consequently, they cannot create, expand, or repair arbitral authority. This finding has significant implications for transfer doctrine. The relocation of arbitral proceedings may be justified under exceptional circumstances, including political instability, judicial interference, force majeure, or the unavailability of the original forum. Doctrines such as *rebus sic stantibus* and *forum necessitatis* provide useful frameworks for understanding procedural adaptation in extraordinary situations. However, these doctrines cannot cure jurisdictional defects arising from an invalid arbitration agreement.

The *Sulu* litigation therefore requires a fundamental reassessment of how transfer doctrine is understood. The case demonstrates that procedural relocation is a secondary question. The primary question remains whether the tribunal possesses valid jurisdiction. If consent is absent, no procedural innovation can restore it. The same principle applies to blockchain arbitration.

The emergence of smart contracts, decentralized arbitration platforms, and automated enforcement mechanisms has renewed interest in the classical debate concerning the territorial foundations of arbitration. Blockchain technologies promise to eliminate geographical limitations and reduce dependence on traditional legal institutions. Some scholars have even suggested that blockchain arbitration represents the most complete practical expression of the delocalisation thesis. However, this article has argued that blockchain arbitration inherits the same limitations identified in *Sulu*.

Regardless of how technologically sophisticated a dispute-resolution mechanism becomes, the requirements of the New York Convention continue to apply. Recognition and enforcement still depend upon the existence of a valid arbitration agreement. National courts continue to assess issues relating to jurisdiction, due process, and enforceability. Consequently, blockchain-generated outcomes remain legally dependent upon conventional legal structures. To explain this continuing dependence, this article introduced the concept of legitimation debt. Legitimation debt refers to the gap between the technological production of a dispute-resolution outcome and its legal recognition within the international arbitration framework. Blockchain systems may automate procedural functions, but they cannot independently generate legal legitimacy. This concept extends the agreement-validity hierarchy into the digital context. Just as seat transfer cannot cure invalid consent, blockchain technologies cannot replace the foundational requirement of a valid arbitration agreement.

The practical implications of this research are equally important. Arbitration agreements should explicitly distinguish between jurisdictional consent and procedural flexibility. Parties should consider incorporating seat-transfer clauses, force majeure provisions, and governing-law clauses that clarify the consequences of procedural relocation. Such drafting techniques would reduce uncertainty and improve the resilience of arbitral proceedings during political, legal, or technological disruptions. Ultimately, this article answers the research question through five principal conclusions.

- First, the arbitral seat remains important. It continues to determine the *lex arbitri*, identify the supervisory courts, and provide the procedural framework within which arbitration operates.

- Second, the seat is not the source of arbitral authority. Although it influences the exercise of jurisdiction, it does not create that jurisdiction.
- Third, the arbitration agreement remains the true source of arbitral authority. Jurisdiction originates in the parties' consent and not in the geographical location of the proceedings.
- Fourth, transfer doctrine cannot repair invalid consent. Procedural relocation may preserve existing jurisdiction, but it cannot create jurisdiction where none exists.
- Finally, blockchain arbitration cannot escape this limitation. Technological innovation may transform procedural mechanisms, but it cannot replace the legal foundations upon which arbitration depends.

The future of international arbitration will undoubtedly involve greater procedural flexibility, increasing digitalisation, and more sophisticated forms of decentralized dispute resolution. Nevertheless, the fundamental architecture of arbitral authority is unlikely to change. The seat remains the anchor of international arbitration, but the arbitration agreement is the seabed to which that anchor must remain attached.

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