

Mr. Smith, a UK citizen is a solicitor practicing in the UK and Singapore. Mr. Smith's specific field of work is development aid to NGOs in Asia. He calls himself the "bridge across the development canyon". For many years his main focus was access to justice, but recently he has moved more into the area of clean and affordable energy. He assists wealthy business people to invest in such a manner that they can use a part of their profits for NGOs. In his private time, Mr. Smith also invests his own money. In 2017, Mr. Smith purchased ten apartments in Paris, France. In 2018, a construction company approached Mr. Smith and proposed to him to convert three of the apartments into a carbon-neutral multifunctional office space. Mr. Smith was thrilled to participate in this project: he dreamed to foster carbon neutral lifestyle activities and the space would permit him to make the space available to NGOs looking for temporary workspace. To finance the project, he considered different options including collaborating with the Singapore Green Building Associations, which promotes innovative industry solutions to enhance green building solutions both regionally and internationally to help build more sustainable cities for better living.

Mr. Smith decided to invest EUR 4,5 million in the project and found out that the interest of the loans in Singapore are rather low. He approached different banks in Singapore to fund his investment. The Singapore Investment Bank granted Mr. Smith credit in the amount of EUR 4,5 million against mortgage of Mr. Smith's ten apartments in Paris to be returned on equal instalments for the period of 15 years.

Soon thereafter, at the beginning of 2020, COVID-19 spread and the workload in the law firm of Mr. Smith in London substantially decreased. Naturally, severe dismissals followed. In May 2020, the firm laid off 125 staff members and in June 2020 another 150 staff members, along with Mr. Smith.

Thus, in June 2020 Mr. Smith had no job and enormous debt with the Singapore Investment Bank. Mr. Smith was unable to pay the July and August instalments to the Bank. On 25 October 2020, due to three late payments, the Bank declared the credit premature and initiated proceedings before the International Commercial Courts of Paris against Mr. Smith.

However, the Bank and Mr. Smith soon agreed to renegotiate the repayment schedule in a way that Mr. Smith ought to pay EUR 500.000 within 7 days and pay the rest of the amount in equal instalments in a period of 10 years. From March onward, Mr. Smith's payments would be lower on the condition that he would find funding from Green Energy Company (GEP), based in Norway, to refund part of the debt. During the negotiations Mr. Smith said that he was sure that the agreement with GEP would work out and showed them initial mails in which GEP was enthusiastic about participating in his project. The Singapore Investment Bank agreed to waive the court proceedings if Mr. Smith complied with the first instalment of EUR 500.000 and if the refunding through GEP was successful.

The parties settled in an agreement which was signed on 14 February 2021 by Mr. Smith and the Singapore Investment Bank. Mr. Smith paid the February instalment. When the bank heard nothing from him by 15 March, they contacted him. He admitted that he had not yet been able to secure the deal with GEP.

After this, the bank resumed proceedings against Mr. Smith at the International Commercial Courts of Paris. The Court successfully established its jurisdiction, but it has difficulty in determining which law should apply to the loan agreement. The Court understands that as the

dispute concerns a contract, and the Court is located in the EU, the Rome I Regulation should be used to determine the answer. However, the Court finds it difficult to characterize the loan agreement, especially as Mr. Smith has claimed to the court that he considers it a consumer contract.

What is the applicable law to the loan agreement between Mr. Smith and the Singapore Investment Bank?